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Working with local
institutions to support
sustainable livelihoods



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There is a considerable body of empirical evidence that shows the need to work collaboratively with local institutions to achieve sustainable improvements in rural poverty reduction and management of natural resources (Narayan *et al* 2000, Uphoff *et al* 1999, Seleney *et al* 1997, Baland and Platteau 1996, World Development 1993, Kortten 1990, Esman & Uphoff 1984, also research described in Annex 1). Indeed, this viewpoint is quite widely accepted in the development field, and has contributed to an increasing delegation of responsibility for local and regional development to local governments, NGOs, other organized sectors of civil society and, to a lesser extent, to traditional institutions and authorities.

In practice, working with local institutions is quite complex. Just defining local institutions, and distinguishing these from "social capital", for instance, has occupied the minds of many scholars. In an applied context, there is a tendency to oversimplify the "legitimacy" that local institutions enjoy in society, as well as their traditional and emerging roles, and the attributes they bring to any collaborative process or project¹. Moving beyond the conviction that working with local institutions is critical for achieving sustainable local development, to successful collaboration and outcomes, is a major challenge.

This paper is aimed at helping development planners, practitioners and policy-makers to meet this challenge by sharing the findings and policy implications of research conducted on local institution – rural household linkages. The findings derive from an FAO research project undertaken by the Rural Institutions and Participation Service (SDAR) entitled "*Rural Household Income Strategies for Poverty Alleviation and Interactions with the Local Institutional Environment*"². Following a methodology developed by the project coordinators at FAO, three country studies were undertaken in India, Mozambique and Mexico by local research teams, resulting in a series of final reports³. This paper summarizes the research results and provides empirical examples of how local institutions function in rural society, shedding light on effective ways for development practitioners to engage local institutions in working

partnerships. More in-depth information was gathered on six of the more important local institutions identified by the research teams (Annexes 4-9). Finally, to widen the scope of institutions covered in this paper, three additional institutional profiles were commissioned from Dr. Anirudh Krishna, a well-known expert on the topic of civil society and rural development (Annexes 10-12).

The paper argues that local institutions, however "imperfect", are providing essential goods and services to the rural poor and vulnerable groups, particularly in the absence of well-functioning markets, local governments and safety nets. Therefore, great caution should be taken not to destroy these networks and arrangements in the name of "development". It also argues that homogeneous and heterogeneous local institutions play different but complementary roles in rural societies. While the former are more inclusive, the latter may be more effective at moving the poor upward and potentially out of poverty. In conclusion, the paper calls for a strong policy and programming commitment to strengthening and capacity building of (selected) local institutions in key process and substance skills. Doing this effectively – by capitalizing on local strengths, will require a long-term commitment.

The rest of the paper proceeds as follows. Section 2 defines and compares the key terms: local institutions, social capital and sustainable livelihoods. Section 3 briefly reviews the research findings on livelihoods and local institutions from the India, Mozambique and Mexico pilot projects. Section 4 examines the attributes of nine very different local institutions, and their linkages with household livelihoods and rural poverty. Section 5 presents key analytical conclusions from the field research. Section 6 offers policy guidance for working effectively with specific types of local institutions and then concludes. There are ten annexes: Annex 1 briefly describes complementary research programmes; Annex 2 and Annex 3 provide policy guidance from a Mozambique seminar and the Indian field team, and Annexes 4 - 12 are the complete institutional profiles synthesized in Section 4.

The SDAR/FAO research programme was undertaken to gain greater understanding of the linkages between household livelihood strategies and the local institutional environment, and how these linkages may change over time. The research focused on economic institutions associated with household access to land, labour, markets and capital, as well as those providing a social safety net.

In this paper, and in the SDAR/FAO research programme, local institutions are defined broadly to comprehend the many types of extra-household arrangements that individuals or households engage in to further their mutual goals. Institutions are often referred to as "rules of the game" (North 1995), meaning the social norms and traditions that establish what types of behaviour are "normal" in society. This coincides with the definition proposed by Norman Uphoff in which institutions are "complexes of norms and behaviours that persist over time by serving some collectively valued purpose" (Uphoff 1997:6). Institutions may be formal or informal: where formal institutions stipulate rules such as constitutions, laws and property rights, while informal institutions are generally agreed upon arrangements or rules of behaviour such as sanctions, taboos, customs, traditions, and codes of conduct (North 1991). Local organizations³ and associations or groups, such as women's groups, farmer associations, and savings and credit arrangements are at different stages of "institutionalization". The SDAR/FAO publication: *Guidelines for Understanding Linkages between Household Livelihood Strategies and Local Institutions* (forthcoming 2002) will provide a useful framework for categorizing local institutions and organizations by placing them on three continuums: (in) visibility, (ex) inclusivity and purpose (normative vs. practical).

The concept of "social capital" is closely related to local institutions and collective action. The World Bank Social Capital Initiative, drawing on the work of Robert Putnam, James Coleman, and David North, defines social capital as: "the norms [reciprocity, trust], networks and social relations embedded in social structures [local institutions] of society that enable people to coordinate action and achieve desired goals".⁴ These social relations determine attitudes of sympathy (or antipathy) and obligations, and go far to explain peoples' relative willingness to collaborate in collective action. Local institutions, therefore, reflect some of the "stock" and quality of social capital in a particular context.

Figure 1: Sustainable Livelihoods Analytical Framework



Figure 2



Institutions are of concern because of their linkages to household livelihood strategies and outcomes, for instance, in providing access to assets, sources of income, reducing vulnerability, and mitigating adverse consequences of economic policies, civil strife and other external shocks. There is, therefore, a clear connection between this research and the *Sustainable Livelihoods Approach* developed by UNDP, DFID and others, that has recently gained great recognition and enthusiasm.⁶ More specifically, we address the part of the *Sustainable Livelihoods Framework* (Figure 1) that links livelihood assets with policies, institutions, and processes – PIP. The connection can be seen again by comparing Figure 1 with the original SDAR/FAO research design (Figure 2).

The main contribution of this research, therefore, is to further understanding of the attributes of local institutions and linkages of these institutions with the livelihoods of the rural poor. From a policy point of view, this enhanced understanding can lead to a more constructive or enabling policy environment for effective collaboration with local institutions in designing and implementing local development initiatives. Special attention is paid to issues of local legitimacy and democratic representation or inclusion, attributes which cannot be taken for granted when working with local institutions.

Field research was carried out in four villages in Gujarat, India, four villages in four different provinces of Mozambique, and three villages in the Sierra Norte of Oaxaca, Mexico. The village selection criteria were the same for each country⁷. The research methodology and information needs developed by SDAR/FAO were adapted as necessary by the local research teams, and the results of the research were presented in village level reports, final reports and at a Global Technical Consultation held in Rome in May 1999.

Both qualitative and quantitative methods were employed to gather information and insights about village livelihoods, local institutions and their interactions over time (e.g. before and after an economic shock). In brief, each research team conducted a *Community Participatory Appraisal* in each study village, living within the village for at least one week, followed by detailed household interviews with a random stratified sample of households, institutional profiles with leaders/ members of a selected number of local institutions, and a final follow-up opportunity to share the research findings at village meetings or focus in groups to validate or change these findings. Lessons learned from the methodology and field experience have been incorporated into the FAO/SDAR Guidelines referred to above.

Local Institution – Livelihood Linkages

Detailed household surveys, using stratified random sampling, were carried out in all eleven villages. The data provide a wealth of information on the livelihood strategies and outcomes of poor, middle and relatively richer households, including income sources and levels, as well as consumption levels. Information was also gathered on local institutions and linkages with livelihood strategies by means of *Community Rural Appraisals* (using such techniques as Social Mapping and Venn Diagrams), institutional profiles, and institutional questions incorporated into the household surveys. Considerable effort was made to "uncover" the less formal institutions, arrangements and practices that are often overlooked in field research. Table 1 provides a partial list of the local institutions identified by the three research teams.

Table 1: Local Institutions Identified during Field Research (partial list)

India	Mozambique	Mexico
Communities & castes	School-community committee	Religious traditions & festivals
Hindu/muslim festivals	Local savings council	Communal assemblies & authorities
Madrasas (Muslim)	Association of traditional healers	Agricultural sharecropping
Service cooperative society	Churches	Draft animal sharecropping
Village dairy cooperatives	Village agricultural associations	Agro-pastoral sharecropping
Milk producer's society	Community development	Land rental contracts
Cattle rearing group	Comm.	Livestock raising groups
Community mandal	Football clubs	Use rules for common grazing
Mahila (female) mandal	Political organizations or parties	Migration networks
Youth mandal	Traditional religious organizations	Migrant associations
NGO Seva Kendra (health service)	Migration structures	Rights for family use of forest
Village gram panchayat	Traditional authorities	Management rules for forest use
Coop bank	Various forms of mutual assistance	by community enterprises
Fair price shop	'Xitique' (revolving fund)	Rules for distribution of forest
Nationalized bank	'Tsuma' (work party)	resource benefits
Oil seeds coop. society	Associations of natives and friends	Wage contracts for <i>comuneros</i>
Farm work for grain, tea, lunch	NGOs	outside workers
Farm work for wages	Blanchard Mozambique	Arrangements between merchants,
Tribal migrant labour for flour, food	Enterprise Inkomati Safaris	traders and street sellers
Sharecropping arrangements		

Comparing and summing across the three sets of data, we find that agriculture is the predominant activity in the Indian and Mozambique villages, whereas it is in decline in Oaxaca. Farming is primarily for subsistence in all three cases, however, commercial crops are grown by the more wealthy farmers. Scarce land, abundant labour, stagnant land markets, and an increasing use of modern inputs among small farmers – with access to water – characterize the Gujarati villages. Large numbers of villagers are landless and live day-to-day from wage labour. In contrast, Mozambique has relatively abundant land but very minimal use of mechanization, improved seeds and fertilizers. Families make up food deficits with migration remittances, petty commerce, wage labour, sharecropping and the use of common property resources. The Oaxacan indigenous villages are relatively better off in terms of food security and income, but face serious challenges from out-migration, declining agriculture and in managing their common forest resources.

India

Agriculture occupies over 80 percent of the villagers surveyed, 37 percent as farmers and 45 percent as wage labourers. The average land holding is very small at about 2.7 acres, or slightly more than one hectare. Rampura Vadla, in Banaskantha District in northern Gujarat, is a small mainly tribal village that depends on dry land agriculture. Many families go out of the village as migratory labour, but return in the rainy season. The large multi-caste village of Malan, in Banaskantha, also depends on

dry land farming, supplemented with some well irrigation. Large numbers of people engage in sharecropping. Malavada, in Kheda District in central Gujarat, has adequate irrigation to grow commercial crops, principally rice and wheat, and landless villagers survive from farm wage work. Piparia, also in Kheda, has irrigated farming and recent growth in vegetable production in response to increased urban demand. Two of its caste groups live only on livestock rearing. Both of the Kheda villages have dairy cooperatives.

Poverty in these villages is associated with access to land, irrigation and cattle, which in turn are associated with caste, ethnicity, gender and education. The research team classified the survey households (120 total) by asset ownership, as shown in Table 2. The table presents estimated average aggregate monthly household consumption by district and classification group. Converting to annual figures, household consumption levels range from US\$400 for the landless/marginal farmers, US\$700 for farmers with irrigated land and livestock, to nearly US\$1 000 for those engaged in the tertiary sector (the 'service class').

Table 2: Average Aggregate Household Consumption (RS/month)

By Group	Districts		Overall	
	Banaskantha	Kheda		
1. Land+Irrigation+Livestock	2 165.94	2 571.63	2 374.27	US\$57.9
2. Land+Irrigation+No Livestock	1 938.67	2 394.40	2 145.82	US\$52.3
3. Land+Unirrigated+Livestock	1 781.12	1 839.00	1 803.38	US\$44.0
4. Land+Unirrigated+No Livestock	1 016.25	1 331.67	1 151.43	US\$28.1
5. Landless/Very Marginal	1 405.38	1 373.92	1 388.28	US\$33.9
6. Service Class	3 243.67	3 238.00	3 240.83	US\$79.0
Overall	1 885.52	1 968.03	1 926.77	US\$47.0

Note: Exchange Rate (1997/98): US Dollar 1 = Rs. 41

The research team identified 38 different local institutions functioning in the four villages, and through participatory social mapping exercises was able to "locate" the mix of castes, tribes and religions in each village (Figure 3, Malawada). Marketing, educational, labour, savings (*bachat mandal*), youth and religious groups are common, as well as the village *gram panchayat* (governing councils), cooperative milk producers' societies and multi-service cooperatives.

Disaggregation by gender showed that most village-based institutions or organizations are male-dominated in membership and leadership, with the exception of the women-only dairy cooperative in Piparia, most savings groups and the "*Mahila Mandal*" (religious/social groups of women). There is growing plurality of membership by caste, religion and socio-economic standing, particularly in the dairy and multi-service cooperatives, and the village *panchayat*⁶. Nevertheless, participation in economic institutions is limited by access to land, cattle and fodder, ability to assume risk, illiteracy, and caste divisions that persist despite legislation to the contrary.

Local agricultural institutions are relatively ineffective in helping the landless (nearly 36 percent of sample) and marginal farmers (30 percent of sample) to break out of poverty. Sharecropping is typically practiced at unfavourable terms that do not allow the sharecropper to accumulate and escape day-to-day survival. Land markets are stagnant and land rentals are not common. However, livestock-sharing and money-lending arrangements have allowed many poor families to acquire one or two milk cows, become members of the village dairies, and increase their earning capacity significantly. This is an instance where local institutions (village dairies) provide a means for the poor to take advantage of increased demand for milk resulting from higher incomes among the urban and landed rural population since economic reforms initiated in the early 1990s. Participation by the poor, especially in dry areas, is nevertheless constrained by limited access to fodder to feed the animals.

The government-supported "fair price" shops provide basic foods at subsidized prices under various targeting schemes, and are a vital means for covering food deficits for the poor. There are also many informal arrangements between the poor and better-off households that enable the poor to survive despite very precarious livelihoods and low wage rates⁹. These arrangements, rooted in mutual dependency and social norms, include giving domestic work to the poor, making loans of cash or food, advancing wages to trusted labourers, providing meals and tea to farm workers, and helping with emergencies. The *gram panchayat* mobilize government funds and village donations of labour and money for community projects such as road improvement, school construction and installation of latrines for the poor.

Mozambique

In the two communities in the north, Netia and Banga, in Nampula and Tete provinces, respectively, the families depend primarily on subsistence agriculture, sale of agricultural products (cotton, potatoes) and beer brewing for food and income. In the southern villages (Massoane and Djavanhane in Maputo and Gaza provinces, respectively) with less and more irregular rainfall, as well as in close proximity to South Africa, families depend more on remittances, off-farm labour, livestock and common property resources, such as wild fruits and the sale of firewood, as well as subsistence agriculture. Massoane has particularly severe food security problems largely explained by the invasion of elephants in the crop fields.

The level of consumption varies greatly within and between the four villages. The annual consumption per adult equivalent was US\$108 in Djavanhane, US\$79 in Banga, US\$72 in Netia and US\$45 in Massoane. By consumption quartile, the values ranged from US\$175 for the richest households to US\$21 for the poorest. The main sources of income for the poorest households are remittances and working for others (*ganho ganho*), as well as sale of forest products. The poor also reduce consumption and seek assistance from relatives and through forms of mutual assistance. Table 3 reports the principal responses to the question, "Faced with hunger, what do you do to survive?"

Data on participation in local institutions and their perceived importance to households show that the most important local institution in all four study villages, particularly for women, is the church, followed by traditional authorities and political parties. In terms of informal, traditional institutions, Mozambique rural society is

Table 3: Survival Strategies of the Poor

Village	Strategies
Mossoane	Gather and preserve wild fruit (e.g. <i>mufuma</i>) Remittances Sale of animals Sale of charcoal Work on other people's farms
Djavanhane	Sale of firewood Work on other people's farms Sale of animals and drinks Petty trade Remittances Crafts Fish Gather wild fruit
Banga	Reduce the number of meals Eat cassava Eat at the fields (to reduce effort) Visit other families for meals
Netia	Work on other people's farms

replete with different types of local arrangements between people of relatively lower and higher economic status. There are many different forms of mutual assistance based on social norms of reciprocity. Local institutions have survived a long history of repression and civil strife in Mozambique and are now being revitalized under a more liberalized regime, and in the absence in rural areas of formal economic and social institutions.

Tables 4 and 5 relate household participation in local institutions and arrangements with socio-economic well-being, using local classifications of poverty and wealth. In general, there are few barriers for participation in these institutions, and the poor and women are well represented. An exception may be political parties that appeal to the richer families, mainly men. Even the fees required for church membership do not appear to present a significant barrier to participation of the poor because of options for contributing free labour instead of food or cash. Table 5 shows that the poor and average households depend more on informal economic arrangements, than the rich, with the exception of local credit and loans of food which imply some repayment capacity.

Table 4: Household Participation in Local Institutions by Local Classifications of Wealth (numbers in parentheses are %)

Member of:	Poor N=88	Average N=43	Rich N=28	P Value for X ² test
Church	65 (74)	29 (67)	20 (71)	0.745
Other local org.	28 (32)	12 (28)	10 (36)	0.782
Political party	14 (16)	4 (9)	8 (29)	0.099

Table 5: Household Participation in Local Arrangements by Local Classifications of Wealth (numbers in parentheses are %)

Local arrangement	Poor N=88	Average N=43	Rich N=28	P Value for X2 test
Local credit	25 (28)	6 (14)	7 (25)	0.188
Work for drinks	19 (22)	11 (26)	2 (7)	0.146
Work for food	19 (22)	5 (12)	2 (7)	0.122
Rotating work	14 (16)	4 (9)	2 (7)	0.357
Loan of food	8 (9)	6 (14)	3 (11)	0.499

In a multivariate analysis, higher levels of consumption were significantly correlated with land area farmed and literacy of the head of household, but not with participation in local institutions. Further exploration of these institutions in the next section, however, will show their importance for social cohesion, food security and village mobilization for collective action.

Mexico

In the Zapotec villages of the Sierra Norte of Oaxaca, subsistence agriculture has declined in the average family income portfolio. An increasingly dominant role of migration in household livelihoods has left agricultural land abandoned, reduced the demographic pressure on land, and loosened the social norms related to access and use of land. Community forestry enterprises have not been able to stall migration. Agricultural and livestock sharecropping are practiced among a small number of farm families as a means to ensure food security (access to maize and fodder) under conditions of environmental and economic uncertainty.

A detailed analysis of income sources (Chapter 5, Mexico Final Report) shows that migration remittances, primarily from migration to the United States, constitutes a major part of the income strategies of the majority of families in all three communities. Other sources of income are wage work, services, commerce and forestry (logging, sawmill). Maize cultivation is mainly for home consumption and most families need to supplement with purchased corn. Livestock, like agriculture, is declining in importance although cattle raising is still important for a small number of families. Average annual household income was estimated at Mx\$57 703 in Ixtlan de Juarez, Mx\$47 000 in Macuiltianguis; and Mx\$42 000 in Capulaplan (10 pesos/US\$).

Field research in Ixtlan, Macuiltianguis and Capulaplan uncovered a rich network of local institutions associated with the main livelihood activities: agriculture, livestock, forestry, migration and commerce. In Table 6 these institutions are categorized by increasing levels of organization from inter-family to extra-community. The team focused on three economic institutions: 1) property rights and land tenure; 2) forestry enterprises; and 3) agricultural and livestock sharecropping arrangements¹⁰.

Property rights in the Sierra Norte are being redefined as a result of reduced demographic pressure on the land from out-migration, and the felt need to keep migrants tied to their home communities. Thus, the old rule of losing one's land rights if the land is not cultivated has been loosened so that migrants can keep their land in exchange for paying financial contributions and remaining active in local government. Nevertheless, traditional prohibitions persist against women and "outsiders" owning and inheriting land.

All three communities have established community forestry enterprises to log, process and market wood from their common property resources. In economic terms, the enterprises have not prospered because of inadequate technology and low efficiency, nor have the few decent jobs created been sufficient to reduce out-migration from the region. Nevertheless, these enterprises continue to be a vital part of community life. Profits are invested in highly valued public goods – roads, water, rural electrification, and cultural-religious traditions and fiestas, thus, supporting "the continuity of the traditions and political and civic-religious structures of the indigenous culture." (Mexico Final Report, Chapter 5:70)

Sharecropping arrangements, based on sharing of the harvest in exchange for sharing of labour and other production costs – especially oxen and plough or tractor – minimize monetary costs and distribute and diminish risk. The arrangement terms vary but are typically rooted in custom and social relations. Families with access to land and cattle, but with insufficient labour (where the opportunity cost of labour is associated with out-migration), team with families lacking land and cattle, but with surplus labour. Sharing of cattle enables families who cannot afford to purchase cattle to obtain through these arrangements the offspring of the cattle. "Agricultural and livestock sharecropping is an interfamily institution that deals effectively with market failures in access to animals, tractors, labour and credit." (Ibid. p. 74-77) Yet sharecropping as an institutional practice is now less common because of the diminishing role of agriculture in the local economy.

In order to deepen understanding of a few of the more important local institutions identified in the course of field research, and their role in supporting livelihoods and alleviating poverty, further field research and analysis were carried out on six of these: dairy cooperatives and *gram panchayat* (India), traditional authorities, forms of mutual assistance, and churches (Mozambique), and migration associations (Mexico). Three additional institutional profiles were commissioned¹¹ to widen the scope of local institutions covered: traditional savings and credit arrangements (Tanzania), watershed development user committees (Rajasthan, India), and ancestral domain claims/community-based natural resource management – CBNRM (Cordillera, Luzon, Philippines).

Table 7 presents a summary of the main attributes of each of these institutions. They represent a wide range: from formal (dairy cooperatives, churches) to informal (mutual assistance, traditional savings and credit), from government-supported (*gram panchayat*, watershed user committees) to government-repressed (traditional authorities, CBNRM in Philippines), from open access (*gram panchayat*, churches) to more restricted access (dairy cooperatives, migration associations), and from largely economic goals (savings and credit, user committees) to wide-ranging socio-cultural and community goals (*gram panchayat*, mutual assistance, traditional authorities, CBNRM). The full institutional profiles are found in Annexes 4 - 12.

Dairy Co-operatives

Field research in two villages of Gujarat – Piparia and Malan – supports the literature¹² claiming that the cooperative movement in India has been very successful at expanding milk production through a well organized decentralized structure of village milk collection. At a national level the poor make up the majority of members, including large numbers of landless rural poor. However, the village case studies provide evidence that obstacles still exist for participation by the most marginalized sectors of society because of barriers of caste, land ownership and illiteracy.

Whereas the dairy memberships are multi-caste, and in some cases women-only (Piparia), there is a proportionately larger membership by the land-owning upper castes, and even more so when measured by the members who actually sell milk to the dairy on a regular basis (Annex 4). Furthermore, upper caste members typically run the managing committees.

The dairy cooperatives are open to all villagers who own at least one milk cow, which include large numbers of landless and marginal farmers. The particular advantage to village-based dairies is the collection of milk twice daily, so that the poor can supplement meagre incomes with a regular source of cash. Furthermore, the co-operative typically pays more than private traders, offers veterinary services at low cost, and professionally manages milk processing and national distribution. Profits are typically spent on community public works such as roads, health centres, sanitation, village schools and childcare centres, and thus constitute a means to redistribute wealth from the richer members to the community at large.

The main barrier to participation in a village cooperative is having the means to buy, feed and otherwise maintain cattle. Cattle-sharing arrangements are a common means for the poorest castes to own cattle, and are limited by the willingness of better-off households to engage in such arrangements and by goodwill in determining "fair" share terms. Bank credit is not an option for the very poor because of their day-to-day existence, lack of collateral and reluctance to take on risk. Access to fodder is another barrier for the landless – obtained as part of wages, part of harvest share, or from village common lands. Availability of fodder is severely restricted in dry areas. Finally, caste discrimination still influences access to land and livelihood opportunities, and high rates of illiteracy keep the poor from fully exercising their rights and participation in dairy cooperative meetings and management committees.

Gram Panchayat

The *panchayat raj* in India are a well-known example of decentralized governance through village, block and district assemblies, where participation by the poor and women have been mandated by law, and management committees are elected rather than nominated. It took the force of a constitutional amendment in 1995 to begin to overcome elitism, corruption and discrimination against women, and to ensure that decentralized development planning would involve widespread participation from village levels upwards.

Case studies on the *gram panchayats* in Malawada and Malan villages show a number of successes that would recommend an expanded role in local development for these villages. Both *panchayats* raise significant revenues from local services and tax collection to spend, together with State provided funds, on community development projects – primarily social infrastructure such as roads, schools, sanitation and water provision. Another important function is to determine, through local knowledge of their communities, the households and individuals that qualify for anti-poverty government schemes (e.g. housing, employment, ration cards).

There seems to be great potential for the *panchayat* institution to play an important role in local economic activities as well, for instance in planning and monitoring of rural and agricultural development programmes, small enterprise and micro-finance initiatives, and market cooperatives. In Gujarat, where most *gram*

panchayats are still dominated by the traditional powers in the villages, their leadership cannot be expected to lead to pro-poor policies and programmes. In the case of West Bengal, including the poor in development planning is a key objective: "Panchayat Raj institutions have been involved with almost all of the developmental activities of the state at the village, block and district levels. ... the role of the panchayat is generally to identify the right beneficiaries, make people aware of the opportunities available to them, and ensure that the benefits actually reach their proper destination." V. Rawal, reporting on research in West Bengal (Annex 5).

In India, and around the world, democratic institutions of local governance, sanctioned by national law, are being devolved increasingly greater responsibilities for local socio-economic planning and development. These processes of decentralization hold great promise for more effective targeting of the poor, particularly as local institutions become more democratic and inclusive, and build capacities and experience in raising and managing resources.

Traditional Authorities

Traditional authorities in rural Mozambique were explored in three separate studies: *Mapping Traditional Structures in Decentralization Policies* (N. Messer, SDAR/FAO WP #12, a paper comparing experiences in Mozambique, Mali and Yemen), *Traditional Structures In Decentralization Policies and Programmes and Rural Reality in Mozambique* (I. Lundin, SDAR/FAO WP#13), and the institution profile provided in Annex 6.

Traditional community leaders or authorities often embody an historical and lineage alliance with their territory that empowers them with important rights and obligations. Their primary function is to ensure peace and harmony in the rural communities within their territory. This involves regulating access to land, as well as mediating disputes over land, thefts of crops, divorce, witchcraft and misconduct (e.g. drunkenness, wife abuse). They mobilize people to participate in community activities. In some villages, traditional authorities are the local administrative power, whereas in other villages there is also local government.

In Mozambique, the power struggle and overlapping of functions between traditional and state authorities have been a major source of tension since colonial times. The Portuguese colonial administration defined land boundaries and territories for their own purposes; at the same time many traditional chiefs lost authority over "their" own population. Under what was in effect indirect rule, the Portuguese often set up new chiefs ("*regulos*") that they trusted or used existing chiefs as middlemen between themselves and the rural population. The FRELIMO government of post-independence Mozambique then opted for a policy of exclusion of its customary institutions from the formal configuration of political power. The idea was to replace the traditional village authorities with party secretaries of the FRELIMO party, accountable directly to the party leaders in the national government in Maputo.

During the 17 years of civil war that ravaged the country (1975-1992), the armed RENAMO opposition took advantage of the FRELIMO stance toward traditional authorities to win them for their cause, particularly in rural areas and the north of the country. The degree of local legitimacy of traditional authorities in Mozambique varies tremendously, consequently, reflecting their pre-colonial claims, as well as their

history of interaction with the Portuguese colonial regime, and the FRELIMO government and RENAMO opposition forces after independence.

Messer coordinated field research on traditional authorities in Mozambique, Mali and Yemen and wrote a comparative analysis that focuses on the actual or potential role of these authorities in natural resource management (see box below). In all three cases, past repression or cooptation of traditional authorities is giving way to greater recognition and collaboration by governments and NGOs. *"Traditional community institutions, which determine the scope, configuration and social morphology of tenure regimes, have recently – often supported by NGOs – been given relatively more space to unfold, promoting the concept of 'community-based natural resource management (CBNRM)' to a more important place in mainstream development."* (Messer, Mapping, p. 25)

Traditional Authorities and Natural Resource Management (NRM)

Traditional community leaders are the symbol of an intimate alliance with their territory. The physical closeness to their "constituency" allows for the application of a set of rules and norms that will rarely be out of touch with the ecological reality and the management and conservation requirements of the resources in their territory.

Yemen

Traditional leadership includes sheikhs, *akels* (wise men), *amins* (religious authorities who organize the collection of the zakat Islamic tax), religious leaders (*hijra* or *sadda*), and, related to water management, *mukaddams* or *almudawels*. Although households are directly involved in NRM, traditional leaders assist them in solving community-level problems related to land disputes, the distribution of irrigation water and the practices of the traditional *hema* rangeland management and conservation system. The influence of such leadership is increasingly re-emerging in southern Yemen.

Mali

In rural Mali, the nomination of village chief (*chef de village*) is for an indefinite period of time and cannot be revoked other than in the case of drastic offences against the interests of the village community.... The Domain and Land Tenure Code (*Code Domaniale et Foncier*) states that land on which customary tenure rights are applied has no property value and belongs to the domain of the state, and that the application of customary tenure rights is confirmed as long as the state does not require the land on which these are applied. The code affirms "customary chiefs who regulate land use on the part of families and individuals according to custom, may in no case use their functions to claim other rights over the soil than those resulting from their personal use, in conformity with custom".

Mozambique

Mozambique's law no. 2/97 is vague towards traditional authorities, and does not specify areas or sectors of collaboration, or the bases for interaction between the administration and traditional authority. But in article 28, para. (2), it makes clear that "the local authority bodies may sound out the opinions and suggestions of the traditional authorities who are recognized as such by the communities, so as to coordinate with them activities which seek to satisfy the specific needs of these communities".... At the community-level, the political secretaries have no legitimacy to look after traditional matters, only the chiefs do. Furthermore, from the perspective of rural communities many administrative matters also fall within the domain of the traditional chiefs because of their symbolism, such as in the case of land and conflicts without bloodshed.

N. Messer, Mapping Traditional Structures in Decentralization Policies. SDAR/TAO WP #12, Rome, 2000.

The studies also make clear that traditional authorities vary greatly in the local legitimacy they command, and that understanding the historical, political and socio-cultural factors underpinning the question of legitimacy is critical if the intent is to support democratic processes. Furthermore, traditional authorities embody social norms and practices that may be antithetical to the goals of a particular programme or project, requiring a serious assessment of the pros and cons of collaboration.

"Due to a mix of historical, cultural and socio-political circumstances, the social capital embodied in traditional community leaders should sometimes be 'tapped' only with great care, as much of that capital, although grounded in traditional networks of mutual assistance and solidarity, is also nested in clientelistic relations among kinship groups of unequal social status." (Messer, Mapping, p. 28)

Mutual Assistance

Mutual assistance institutions of many forms are common in rural societies that experience chronic or seasonal shortages in labour and food, and that lack formal social services for the indigent and sick. These traditional institutions typically reflect social norms of solidarity and reciprocity, constituting a social safety net that ensures survival and relative harmony in villages with meagre livelihoods and sharp inequalities. In Mozambique, *"help and mutual cooperation are based on reciprocity: the principal objective is to provide help in the present and be helped in the future."* (Annex 7).

Forms of mutual assistance institutions identified in the four Mozambique villages include:

Xitique, an informal savings and credit arrangement based on mutual trust ("*tontine*" in West Africa). Two or more people contribute a fixed sum, which is loaned in turn to one member of the group. This traditional micro-finance arrangement has been widely replicated under the term "Rosca": Rotating Savings and Credit Associations.

Rotating work systems, practiced as a way of satisfying needs for additional farm labour. In Netia, the term *Omilika matu* signifies a group of people providing mutual help to clear land. In Zambezia, *Cucumbi* is a rotating production system where groups of subsistence farmers establish a calendar for free collective work in members' fields. Labour sharing is also common for building houses.

Cooperation based on exchanging work for money: The norm behind this practice is that when a family has money (or food) it should help needier families; likewise it would expect to receive the same kind of help in times of crisis.

Exchange of work for food or drink: This consists of exchanging individual or group labour for some kind of food or traditional drink. *Ethima o mata waka* in Netia is when meals are provided for workers when their task has been completed. *Omilika makhaka* is also practised, where help is provided in the fields in exchange for dried cassava.

Cooperation based on breeding livestock: This type of practice is carried out by families who want to start breeding livestock; the interested family asks to "borrow"

animals from another family and care for them until they reproduce, thereafter the owner gives one of the young and sometimes a pair in compensation. *Kuvequelisana* in Djavanhane and *Kubiquiselana* in Massoane are carried out with chickens, goats and cows.

Mutual assistance also encompasses collective work efforts in emergencies (e.g. fighting floods, drought, disease epidemics, pest infestations), and for building and maintaining community infrastructure and culture (e.g. roads, schools, clinics, churches, football clubs, dance clubs, traditional healers' associations). Traditional authorities often play the role of mobilizing this type of collective action, sometimes with the help of churches and the financial support of local government or NGOs.

Equally important to these "horizontal arrangements" are the informal forms of wealth redistribution from better off villagers (e.g. chiefs, shopkeepers, larger landowners and merchants) to the very poor and sick, typically through small loans and gifts of cash, food and other basic needs. Without formal means for redistribution through taxation and income transfers, and lacking effective agricultural and market development, these traditional institutions for mutual assistance and redistribution largely explain the absence in rural villages of more severe social problems¹³.

Churches

Churches have proliferated in rural Mozambique during and after the civil war – playing a significant non-partisan role in national unification and peace (Table 8). Since 1992 there have been complete religious freedom and open cooperation between government and churches to distribute emergency assistance and mobilize rural populations to participate in national reconstruction.

"Since 1995, the Christian Council of Mozambique (a forum of Protestant churches) has implemented a project to 'transform guns into hoes'. This consists of collecting rifles and other objects from the war and exchanging them for hoes and other agricultural production materials.... The CCM intends to establish a culture of peace through this project, helping the transition from a state of war." (Annex 8)

Table 8: Churches in Mozambique and Percentage of Believers, 1997¹⁴
(over 5 years old)

Religion	Residential Areas		
	Urban	Rural	Mozambique
Catholic	25.2	23.2	23.8
Muslim	17.7	17.9	17.8
Protestant - Zion	21.7	15.7	17.5
Protestant - Evangelist	8.8	7.4	7.8
Christian (unspecified)	2.7	4.0	3.6
Animist	1.3	2.5	2.1
Other	1.9	1.5	1.6
Non-Religious	17.8	25.4	23.1
Unknown	2.8	2.8	2.6
Total	3 757 000	8 879 000	12 636 000

Historically, churches in Mozambique have played an important role in promoting literacy and education, for boys and girls, and also in caring for the poor and needy. Their charitable activities build on prevailing social relations and mutual assistance institutions. There are, however, certain traditions that conflict with Christian religious beliefs (e.g. witchcraft, traditional healing remedies, initiation rights, gender roles), and some churches are determined to pull their congregations into "modernity".

The churches that are most successful in recruiting members are those that blend traditional institutions and beliefs with new ideas and opportunities that result in real material benefits for their congregations, for instance: in supporting village education, credit and savings groups, farmers' associations, food for work programmes, HIV-AIDS prevention, and agricultural extension and communication campaigns. Furthermore, churches fill a vacuum in village leadership in situations where both traditional authorities and local government are weak and lack legitimacy.

The churches typically exact fees from members and enforce behaviour restrictions. Depending upon the church, there are prohibitions against polygamy, consumption, making and selling of alcohol, and belonging to the military or political parties. Membership dues can be quite high as compared with the meagre means of the majority of villagers. The poorer members typically contribute with free labour on church-owned farms or the farms of wealthier members. These requirements may be viewed as exploitative and manipulative; however, the churches are full of poor people who believe that both the spiritual and material rewards from their contributions are worthwhile. The research findings show that rural women participate more in church activities than men, and derive great satisfaction from the social interaction around church activities.

Migrant Associations

Field research was carried out in two Oaxacan villages (San Pablo Macuiltianguis (SPM), San Juan Teitipac (SJT)) and in Los Angeles, California to better understand the role of migrant associations in supporting the rural livelihoods and communal life of "sending" communities (Annex 9). In both SPM and SJT more than half of the population lives outside the community, mainly in Los Angeles. Migration remittances are a major source of income: three-quarters of the immigrants regularly send to their households an average of US\$100 per month.

Migrants form migrant associations (MAs) in part to establish support networks in the immigrant communities, and in part to remedy the negative social and economic consequences of out-migration on the sending communities they come from. Membership in MAs is open to anyone from the sending community who pays dues. The association's officers are typically drawn from the more experienced, older and better-off migrant population, nearly always men, while the women are very active in organizing fund-raising events.

MAs typically share the dual objective to improve the lives of their members as immigrants, and to support their communities of origin in various ways. As an "information clearinghouse" where new and old migrants meet to share experiences, the MAs are able to reduce the costs and risks of migration, and increase the likelihood of success in finding and retaining work. Another important activity is to

raise funds to support religious and cultural festivals back home. Through their capacity to quickly collect and generate funds, MAs also act as an informal "insurer" in case of emergencies (in Los Angeles or Mexico). Some migrant associations are involved in financing economic development initiatives as well, though less so in Oaxaca than in such states as Zacatecas and Nuevo Leon.

The two SPM migrant associations focus primarily on the organization of entertainment events to raise funds for the annual cultural festival in SPM (la Guelaguetza). In contrast, the SJT migrant association (Nueva Esperanza – NE) is primarily interested in supporting socio-economic development initiatives: *"Several meetings were organized in SJT to define the main future axis of collaboration between the diverse local institutions and NE. At present, several projects are being considered ... (e.g. financial help for the kindergarten, the drainage system, the construction of a dam for irrigation, or the creation of a tourist corridor to promote local handicraft activities). A tacit deal was struck between NE and the local institutions: the association provides the financial, technical and logistic support, and in return the community provides the labour force and keeps the ventures in good order."* (Annex 9).

Traditional Savings and Credit Arrangements

Similar to the mutual assistance institutions, these arrangements function as joint liability groups and are based on social relations of trust, reciprocity, and obligation. Repayment by the borrower is tied to reputation and social standing – one's "social collateral" for future loans. Likewise, wealthier village members are expected to lend money and food to needy villagers as a means to maintain their good standing and reputation in society.

Flexibility to borrow small amounts, quickly, with minimal transaction costs, is vital in adverse environments with frequent drought, harvest failure and sickness. Cash-poor farmers may borrow cash for land preparation and repay at harvest time. These arrangements also avoid the need for "disaster selling" of prized savings for every cash need. Formal credit and savings institutions are absent in most of rural Mozambique (as in many rural villages throughout the world), and in any case the terms and requirements are not appropriate for the cash needs of the poor. Under traditional arrangements, the poor can participate as long as they have good social standing.

The institutional profile is of traditional savings and credit arrangements in the village of Bahi in the semi-arid central region of Tanzania (Dodoma). Ninety percent of income is derived from agro-pastoralism with sorghum, bulrush millet and maize as main food crops, and cows, goats and sheep kept "as an insurance against famine". Villagers save in rice paddy, cattle and jewellery.

"Indigenous forms of savings and credit form part of this complex of livelihood strategies. When agriculture is risky, people save in cattle and other farm animals. When social customs require bride price to be paid at the time of marriage, they save in the form of jewellery and other valued goods. And because savings are mostly embodied in multi-use assets – with relatively small amounts kept in cash – villagers on occasion seek credit in cash from fellow villagers of greater means. These types of "contracts" are informal, without recourse to the law, so village lenders may provide credit only to persons who have a good reputation in the community." (Annex 10)

Table 9 summarizes the objectives and outcomes of several IFAD and FAO agricultural credit projects in the region, based on the thesis research of Jochem Zoetelief, Department of Social Science, Wageningen Agricultural University. Only a Catholic Church-sponsored women's savings association initiative was well accepted and sustained over time. The far right column explains the main reasons for the failure of the other projects.

Table 9: Savings and Credit Projects in Dodoma, Tanzania¹⁵

Intervention	Agency	Objectives	Members	Results
<i>(A) Groups including both men and women</i>				
Savings and Credit Cooperatives (SACCOs)	Gov. of Tanzania and IFAD (started 1992)	Setting up two cooperative societies in the village	79 persons	Members of SACCOs were mostly influential villagers and government employees. Other villagers "perceived SACCOs as groups of officials and their friends, not something they could be part of" (Pp. 26)
Water Users Associations (WUAs)	IFAD (started 1993)	Managing water for paddy cultivation; channelling credit provided by IFAD	347 persons (incl. 114 women)	The groups largely failed because nobody repaid any of the credit "nor were they likely to do so in the future...the farmers were too poor and ignorant...(and farmers) did not see the point in repaying" - they felt these amounts would surely be written off, as it had happened before (Pp. 27).
Special Programme for Food Production (SPFP)	FAO (Started 1995)	To demonstrate new agricultural techniques and provide grants and loans in support	Four groups of 20 farmers each	The project has failed in terms of its objectives. "Members have forgotten the group of which they were part... SPFP is likely to pass away as an insignificant event in village life" (Pp. 28).
<i>(B) Only women's groups</i>				
"Unity of Tanzanian Women" (UWT)	Formed by the ruling socialist party CCM (Started 1997)	"Women were promised credit if a CCM candidate was elected" (Pp. 28)	25 women	Members joined with the cynical purpose of gaining access to the promised credit, and left shortly after this purpose was fulfilled.
Wanawake Watanzia Wawata (WWT)	Roman Catholic Church (Started 1982)	To encourage savings among women, and to use these amounts for enhancing household incomes	31 women	Alone among all externally sponsored groups, WWT has a sustained presence and abiding member loyalty. The group has been built upon pre-existing social bonds, and such "group membership created a socially accepted way of earning more income for women" and their families (Pp.29).

Watershed Development User Committees

In response to a critical situation of increasing human and cattle population pressure in drought-prone agricultural villages of Rajasthan, a programme of integrated watershed development was launched in 1990 by the State government, supported by the World Bank and the Indian Ministry of Agriculture. The project was largely directed toward increasing fuel wood and fodder productivity on common lands, and grain yield increases through soil and water conservation.

Several aspects of the Rajasthan Watershed Development Programme worked well and explain its success in achieving many-fold increases in fodder, fuel and grain production: 1) local planning of programme activities, guided by village-elected User Committees (UC); 2) introduction of effective and low-cost agronomic, forestry and pasture management practices by a newly created Department of Watershed Management (DWM); 3) training of UC members and para-professionals in a range of technical and management skills; and 4) development of village nurseries to ensure long-term supply of vegetative material.

Furthermore, the financial arrangement where government covered about 80 percent of the programme cost, and villagers covered 10 - 20 percent, primarily in labour and local materials, proved realistic and sustainable. Devolving a major portion of the funds to the User Committees to manage was an innovative strategy that resulted in greater transparency and participation at village level.

Nevertheless, not all villages were equally successful, despite having the same agro-ecological conditions and level of government funding. A study of the programme (Annex 11, Krishna & Uphoff 1999) found two major explanations – one, differences in the behaviour and quality of the DWM staff, and two, differences in village “stocks of social capital”, which impacted on their greater or lesser ability to plan, manage and sustain collective activities for the common good.

The study by Krishna shows that the investment in building the capacities of village User Committees, thereby, reinforcing existing stocks of social capital, is paying off in unexpected directions. The same leadership structure has moved forward to promote new development initiatives of priority importance to the villages:

“.... In Nauwa village of Udaipur district, for example, universal female literacy is a new goal that villagers have set themselves and which they are implementing with the help of their UC. The Committee in Sangawas village of Rajamand district has organized a savings group in which many villagers have become members. In Audheri Deori, in Ajmer district, poultry and rabbit rearing activities have been organized among villagers by their UC.” (Annex 11)

Ancestral Domain Claims and Community-based Natural Resource Management

This is a case where a long history of repression of traditional peoples and their institutions is being turned around. The two-decade struggle for self-determination of the Cordillera indigenous peoples in Luzon, Philippines, has engendered since the 1990s a more enlightened and enabling legislative and policy framework for local participation in local development. Civil unrest in the region, culminating in armed

conflict and military occupation, was rooted in the consistent denial of a local voice in the exploitation of their rich natural resources – prime forest and precious minerals – and the worsening poverty of the 1.25 million indigenous inhabitants.

After the toppling of the Marcos regime in 1986 it was possible to make some headway with peace negotiations. In 1993 the Constitutional Commission upheld the rights of indigenous peoples to their ancestral lands and natural resources. Under the new law, eligible groups could apply for a "Certificate of Ancestral Domain Claims" that confers to the group the right to participate in all decisions affecting the land and natural resources within their ancestral domain. However, eligibility was conditional upon prior clear demarcation of boundaries, settling of disputes, and preparing and submitting Ancestral Domain Resource Management Plans (ADRMPS) for government approval.

To meet this challenge it was essential to involve and revitalize the traditional institutions and authorities of the Cordillera that held the knowledge and legitimacy for making land related decisions. The NGO PANCORDI (Pan-Cordillera Women's Network for Peace and Development), a coalition of women's groups of the Cordillera region, proved to be an effective intermediary between the traditional institutions and the government:

"It was necessary to gain the cooperation of traditional village councils and their leaders, and women volunteers helped to build the bridges that were necessary to link local institutions with government agencies. It was not easy for women volunteers to penetrate the all-male domains of the atar and day-ap. It helped that these women had played critical roles earlier by serving as intermediaries between villagers and militants, and these efforts had been admired, if only grudgingly, by all villagers."

With the help of PANCORDI and government advisors, villagers and their traditional institutions learned the skills of area planning and resource management as a necessary step toward developing alternative models of local and regional development. In contrast to the shortsighted natural resource exploitation of the past, examples of ADRMPs include micro-scale mining, micro-hydroelectric and irrigation projects, and proposed tramline installation through fragile lands rather than road construction.

Traditional Institutions, Social Capital and Development Planning

Traditional institutions are important to people in many parts of the developing world and especially, though not exclusively, among indigenous peoples. Traditional institutions, such as indigenous cooperation groups, councils of elders, and customary laws and mediators are important for resolving disputes, enforcing widely agreed standards of behaviour, and uniting people with bonds of community solidarity and mutual assistance. As such, they embody important forms of social capital, representing forums wherein local communities can unite together and act collectively.

However, traditional institutions are rarely included development plans that are formulated for the most part in national capitals. Planners have mostly disregarded the potential for collective action that inheres within these institutions, partly because of ignorance and partly also because development, which is seen as "modernization," is often regarded as antithetical to tradition in any form. On their own part, too, leaders of traditional institutions have been reluctant to adapt to new concerns. The incursion of modern activities and forms of governance are often seen as challenging the prerogatives of these institutions.

It is exceptional, thus, to find traditional institutions taking an active role in regional development activities, beyond their – sometimes symbolic – advisory function on development committees and local government councils, of which they are often *ex-officio* members. It is even more unusual to see such institutions working closely in cooperation with technical personnel of government agencies.

Dr. Anirudh Krishna (adapted from Annex 12, Case study on Ancestral Domain Claims and NRM in the Philippines)

A new structure of regional governance is underway in the Cordillera that is based upon cooperation and respect between traditional institutions and the municipalities. After centuries of mistrust, and decades of open warfare, these are the types of innovative institutional arrangements that are needed to give peace a chance:

"Representatives from village and municipality councils will come together to constitute the regional body, and it will function as the apex traditional institution of the Cordillera. This regional body is expected to forge closer linkages between customary laws and practices, on the one hand, and formal government systems, on the other, both of which provide necessary institutional supports for sustainable development of the region."

The research findings on local institution-rural livelihood linkages shared in the preceding sections provide an empirical basis on which to draw the key analytical conclusions, presented below¹⁶. Together, these conclusions contribute to a better understanding of the attributes of local institutions and their interactions, weak or strong, with the livelihoods of the rural poor. As such, they can provide guidance for working constructively with local institutions to support sustainable livelihoods. In the final section these points are distilled in institution-specific policy implications and recommendations.

1. Bonding institutions nurture cohesion but lack power

The case studies show that inclusive, "bonding" local institutions – based on traditional norms of solidarity and reciprocity – are key elements in household livelihood strategies and community cohesion. Together these institutions (e.g. traditional authorities, common property rights, asset-sharing arrangements, mutual assistance, informal savings and credit, etc.) ensure a minimum level of food security and a safety net for the most vulnerable groups. They govern access to communal natural resources that provide sustenance, especially for the poor and in times of crisis. They organize and finance community public works and civic-religious-cultural festivals and traditions. Their relative strength or weakness is often associated with relatively greater or lesser levels of social capital and intra-community conflict.

The evidence does not show a strong link, however, between participation in these types of bonding institutions and the achievement of higher levels of income and consumption, or social mobility. They lack the influence, resources – and rationale, in some cases – to move beyond maintaining the social order. In the Mozambique study, for instance, participation in most of the local institutions profiled was not found to be an explanatory factor in differentiating poorer and wealthier households.

2. Bridging institutions open access... to a point

Local institutions that are heterogeneous – bringing together members of different social and economic positions and influence, often with outside assistance – can be effective means for the poor to achieve some social mobility. Examples include the dairy cooperatives (and related cattle-sharing arrangements), migrant associations, watershed user committees, political parties, churches, and local governance institutions. These institutions afford an opportunity for their poorer members to gain access to information and technologies and NGO and government initiatives that they may not learn about otherwise. In the four Mozambique villages, belonging to a formal organization, such as a church or political party, is associated with greater

access to outside interventions. *"Being active in community affairs leads to more opportunities for getting ahead"*. (Mozambique Final Report)

Nevertheless, we have seen that power inequities within these bridging institutions often limit the full participation of the poorer members. For instance, the landless and marginal farmers are typically forced to accept exploitative terms with land and cattle owners to gain access to the head or two of cattle required for membership in the dairy cooperatives. Upper caste men have historically run the *Gram panchayat*, and corruption has kept the poor from enjoying access to government schemes designed for their benefit. This is changing in the face of two types of pressure – strong progressive national legislation and community mobilization.

3. Local institutions are more inclusive and reduce transaction costs

Local economic institutions are typically more inclusive than formal extra-local institutions and projects that require participants, members and/or managers to have minimum levels of education and wealth (e.g. rural banks, agricultural extension and training projects, even certain anti-poverty schemes). Moreover, non-local interventions may simply bypass the poor and other marginalized groups because their needs and capacities are "invisible" to outsiders. In traditional mutual assistance and lending arrangements, trust based on social standing can substitute for financial or asset-based collateral. These arrangements have lower transaction costs and default rates, as compared with formal credit institutions, because they are based on intimate knowledge of seasonal cash requirements, individual and household capacities to repay, as well as social pressures for both lenders and borrowers to retain their good standing in the community.

4. Government policies and civil strife can undermine local institutions

The profiles show several instances where government policies have repressed traditional institutions in order to exert political authority and control over local resources. In Mozambique, from the colonial era until today, traditional authorities have been co-opted by central government to gain access to rural communities, often undermining their legitimacy with these same communities. The imposition of State Marketing Boards and dismantling of traditional market and barter mechanisms during the socialist period have left rural post-war Mozambique bereft of market institutions. The devastating slaughter of livestock during the civil war greatly undermined the traditional practice of saving in cattle and paying dowries (*lobolo*) in cattle.

In the Philippines, government repression of ancestral domain claims and selling off of prime forest and mineral resources to private corporations impoverished and weakened the local peoples and their institutions. More indirectly, the policies of economic liberalization in Mexico have undermined the rationale for subsistence agriculture and the economic viability of community forestry in the Oaxacan highlands. In India, farmers with access to land, water and credit are taking advantage of reduced regulations and free trade, but the poor and their institutions are largely excluded from these opportunities.

5. Traditional institutions are often resilient and flexible

When repression of local institutions gives way to more tolerant and enabling policy environments, experience shows that many of these institutions are highly resilient¹. The remarkably peaceful resettling of refugees after the civil war in Mozambique, for instance, is largely attributed to the role of traditional authorities in settling land claims and providing land access to newcomers. Now, for the first time, their legitimacy and capacity are being recognized in the National Land Law of 1997 and subsequent land reforms. In the Central African Republic, the once life-long mandate of customary village chiefs has been changed to ten years. In the Philippines, the indigenous institutions of the Cordillera – under military occupation during the 1970s and 1980s – were revitalized during the 1990s to implement new legislation recognizing their ancestral territorial claims.

Traditional institutions also appear able to adjust to changes in economic conditions in order to best represent the interests of their communities and maintain overall social order. For instance, in Oaxaca, Mexico, faced with the unstoppable out-migration of its people to the United States, local authorities are loosening traditional property rights to allow migrants to retain ownership of their land in exchange for financial contributions and other obligations. The male-dominated local governance structures – in India, Mexico and the Philippines – are adjusting to pressures from above and below to allow women and youth greater participation. Provided with appropriate training, local institutions have also proved willing and able to expand their traditional roles to become full partners in local development planning and implementation.

6. NGOs can be effective intermediaries

Non-governmental organizations can play a positive role in bridging the gap between traditional local institutions and policies or programmes promoted by government and international donors. When dealing with complex resource and development issues involving multiple stakeholders, NGOs have proved useful in facilitating multi-stakeholder dialogue and collaborative processes for managing conflict and finding lasting solutions (e.g. PANCORDI, Helvetas, Lutheran World Federation). This is particularly true when local communities mistrust government because of past abuses, or the perceived political partisanship of government bureaucrats. It is also the case that many international donors prefer to channel funds through NGOs, rather than government agencies, to get around political favours and improve programme efficiency.

"The NGOs could, in a coherent and systematic way, establish partnerships and participate in the country's economic and social development. The role of NGOs would be to act as intermediaries between local institutions and international NGOs, donor agencies and government entities, and in problem cases when local associations do not know whom they should turn to." INDER Report, Mozambique

Another important role of NGOs is to provide training to different types of local institutions in the skills needed to take on new roles and responsibilities. This is particularly true in countries with strong decentralization policies and increasing devolution of authority to local levels. To complement local knowledge of resources, local institutions will need training in the modern tools of resource mapping, planning and sustainable management, to understand how to identify and market

both traditional commodities and environmental services, and in financial management, among other skills. There is also the more difficult challenge of working with traditional institutions biased against certain groups to become more inclusive and democratic in terms of "who benefits" and "who makes decisions".

7. Capitalizing on local strengths and moving forward

"To capitalise on this local strength, identified here as social capital, according to our perception, work at community level should rest on the foundations of solidarity that keep the community social order functioning at local/rural level, thus avoiding social conflicts on a greater scale than the dynamics of society itself..... contributing to the transformation of this social order from within its own walls, gradually expanding the space covered by these same walls so as to make the interior go beyond into the outside world, pick up speed, run through the world that surrounds it, reaching the state, step by step, and participating in national life" (Baptista Lundin: 1999: 13).

The central idea here is that work at community level should rest on an understanding of the local social order, and then, from inside, transform values, build capacities and expand horizons.

Resting on foundations: Great caution is warranted when introducing parallel or competing institutions that may undermine traditions of solidarity that play a major role in maintaining the social order. For example, in the case of the traditional credit and savings arrangements in Dodoma, Tanzania, projects that aimed to introduce more modern systems failed, and carried the risk of increasing the vulnerability of the poor by weakening the social norms of reciprocity and wealth redistribution. This has also been the outcome of numerous development projects in agriculture, fisheries, forestry, land titling, and health, among others, that failed to adequately consider their impacts on local institutions.

Contributing to the transformation: This is the opportunity to work with local institutions to explore, through a transparent process, the various interests in transforming the existing social order to better meet the needs and desires of different groups within society. NGOs can sometimes play a facilitating role, or change agents within the local institutions themselves. Often it is best to find common ground for action first, moving on to harder transitions later. An important area of transformation "from within" is on fundamental questions of representation and legitimacy. In implementing the National Land Law in Mozambique, the debate continues on: Who should represent local communities and on which grounds should such representation be considered legitimate?

Expanding the space: Communities and their institutions have an interest in increasing access to new technologies, markets, services and educational opportunities to improve livelihoods, social conditions and "connectedness" with the State. This requires open and prolonged dialogue about change options, and the costs and benefits for different groups within the community. NGOs can facilitate collaboration with governments and other outside institutions to expand economic opportunities and reduce local poverty.

The research for this paper, together with other studies on local institutions and rural development or natural resource management, demonstrate the richness of local institutional environments; in particular, the informal and less visible institutions, practices and arrangements that characterize rural socio-economic and cultural interactions. The more resilient and organized local institutions are providing essential goods and services to the rural poor and vulnerable groups, particularly in the absence of well-functioning markets and safety nets. The paper suggests that both homogeneous or "bonding" institutions and heterogeneous or "bridging" institutions play distinct, necessary and complementary roles in crisis survival, asset-sharing, and providing new economic opportunities. The main policy conclusion is to urge policy makers concerned with rural poverty and food security to: 1) allocate additional resources and time to understanding and working with local institutions, and 2) provide a supportive legislative and regulatory framework in which local institutions can thrive and assume greater responsibilities.

The research findings suggest the need for a flexible and context-specific approach to partnering with local institutions. Therefore, this paper does not pretend to offer generic, prescriptive policy advice. Rather, an essential first step is to undergo an investigative process on livelihood-local institution linkages, before embarking on an action strategy. For the specific types of local institutions profiled in the SDAR/FAO pilot projects and case studies, the findings and recommendations given below may be useful as a starting point for creating a constructive working environment with these institutions.

Mutual Assistance Institutions

Local informal institutions for mutual assistance are found throughout the world, particularly where formal institutions and safety nets are missing. Recommendations for working with these institutions include:

- Understanding the role of traditional mutual assistance mechanisms in the redistribution of resources and wealth among the poor, and between wealthier and poorer sectors of society.
"It is important that these foci of social morality in the community are better understood so that their function in maintaining a certain social equilibrium could be supported. They could then be used, if necessary, in social promotion and community development programmes." (Lundin 1999)
- Taking care not to undermine these mechanisms by imposing competing anti-poverty programmes.
- Making use of forms of mutual assistance that are already rooted in rural communities. For example, the *Xitique* (credit and savings) groups demand a level of commitment – based on social relations – which greatly improves the

likelihood that the group will stay together. In micro-financing programmes, groups composed of people who already have strong cooperative bonds are likely to succeed where new 'artificial' groups may fail.

- Providing incentives to support and strengthen existing forms of social assistance to vulnerable groups in society. For example, a credit project that provides loans to young people to develop income projects, where the interest on the loans is paid into a social action fund to help the elderly in the village.

Traditional Authorities

Case studies from India, Mexico, Africa and the Philippines provide guidance for local governments, NGOs and international donors on working collaboratively with traditional authorities:

- There is a need for more systematic engagement of traditional authorities as legitimate leaders at the village level, particularly in land tenure, natural resource management, and in planning and implementing local rural and agricultural development programmes. Nevertheless, a cautious approach is warranted when these traditional institutions uphold certain social norms contrary to the objectives and the values of the programme (e.g. inequitable patriarchal and hierarchical relations).
- Where customary authority is strong, there is a need for policies that allow for "legal pluralism", namely, laws and a judiciary system that protects the universal rights of citizens, while recognizing customary law as well.
- Moreover, because of common "territorial" ambiguities and resulting hostility between traditional authorities and elected and non-elected government officials, there is an urgent need to clarify, in law and policy, their respective divisions of authority and responsibilities.
- NGOs and international donors are increasingly choosing to work with leaders "who enjoy the greatest legitimacy in the life of the rural communities", to ensure greater institutional sustainability of their projects and programmes. This shift in policy is generally positive and should be encouraged by host governments, but it should be borne in mind that "genuine" traditional leaders derive their authenticity from civil society rather than government, be it central or decentralized.

Migrant Associations

In countries where international migration is an important source of income for many households and communities, policies are required that encourage migrants, living outside their countries of origin, to organize and remain institutionally linked with their sending communities, for example:

- Co-financing programmes (government or NGO) that encourage the formation of migrant associations (MAs) and their financial participation in development projects of sending communities (e.g. PACME "2 for 1", Mexico).
- Capacity building of MAs to overcome internal and external divisions, and to become more effective agents of change (e.g. training in conflict management, participatory community planning, fund-raising, and other).

- Collaborative local development partnerships of MAs, municipalities, local NGOs and sending communities, particularly for pooling funds and expertise.
- National policies that facilitate transnational transfer of funds, knowledge and experience, and that legitimize and encourage relations between embassies/consulates and migrant associations and federations.

Churches

- Churches have great potential for mobilizing their congregations to participate in community development, and are generally inclusive of women and the poor. Local government and NGOs can tap this potential when their objectives coincide, for example in:
 - health, nutrition and education campaigns (HIV-AIDS prevention, vaccinations, literacy);
 - entrepreneurship and micro-financing oriented toward women and the poor;
 - "food for work" (WFP) and voluntary collective action to build and maintain public works;
 - community participation in local development committees, plans and programmes;
 - safety nets for the indigent and sick;
 - communication/awareness creation on village rights and opportunities;
 - introduction of new values.
- Given the growing influence of churches in rural communities, particularly evangelical churches, and the keen loyalties that members feel toward their respective churches, any perceived bias of the State or NGOs toward a particular religious institution is likely to create internal village divisions and hamper progress toward a mutual goal.
- In some cases, churches can be engaged to take the non-partisan "high ground" in promoting civil society, peace and national unity (e.g. "transforming guns into hoes", Mozambique).

Savings and Credit Arrangements

Micro-financing or other anti-poverty credit initiatives are likely to be more successful when they are based on an understanding of traditional savings and credit arrangements:

- Investigate how villagers traditionally meet their seasonal cash and labour needs, and how these arrangements are linked to vulnerability, social norms and customs, and the absence of access to formal credit institutions by the poor.
- Build on existing savings and credit arrangements that are tied to livelihood strategies.
- Exercise caution not to undermine, through introduction of new credit opportunities, traditional obligations and norms of reciprocity and redistribution that are an important social safety net for the poorer villagers.
- Integrate "reputation-based lending" – reflecting social reputations and obligations – as a legitimate form of collateral and means to improve repayment rates and access to credit by the poor.

Conclusion

The research findings presented in this paper show the wide range of local institutions that are found in rural societies throughout the world. Informal institutions at village-level often substitute for missing formal institutions and safety nets, and tend to persist even during periods of government repression, negligence or co-optation. When village-government relations improve, sometimes with the intervention of NGOs, experience shows that the more resilient local institutions can be revitalized and strengthened to take on new roles and responsibilities, particularly in natural resource management and rural development planning.

The first task for "working with local institutions", whether at the policy or field level, is to identify and investigate the complex array of existing local institutions in a given locality, and the social norms and traditions they embody. How to carry out such an investigative process is clearly explained in the SDAR/FAO "Guidelines" publication (*Guidelines for Understanding Linkages between Household Livelihood Strategies and Local Institutions*, 2002).

This type of understanding will avoid the pitfall of undermining (inadvertently, perhaps) existing institutions by introducing competing institutions that may be attractive in the short-run, especially from the point of view of projects under pressure "to deliver", but lack the social foundations for long-term sustainability. Such an investigation will also reveal the social values and norms that dictate the functioning of many local institutions – values that may be inconsistent with the "equity" goals of a particular policy, project or programme. Consequently, partnering with these institutions may only be possible if the village authorities demonstrate flexibility and the willingness to reform, albeit slowly and within certain cultural limitations.

After undergoing an investigative process, and identifying the local institutions and authorities that would lend legitimacy, knowledge and sustainability to a given development initiative, the next stage may well be in the area of strengthening or capacity building. Capacity building may be needed in "process" areas – transparency, democracy, and accountability, for example – or in "technical" areas such as financial administration, natural resource planning and management, and information sciences. NGOs that are familiar with a particular locality, and enjoy the respect of local authorities, can play a very constructive role in identifying specific capacity-building needs and in facilitating training.

Finally, the evidence would suggest that working with local institutions is a long investment that requires a commitment commensurate with the challenge. As suggested above (Baprista Lundin, 1999: 13), the challenge is to capitalize on local strengths, facilitate a transformation "from within", and strengthen capacities of local institutions and their partners to work collaboratively and effectively toward common goals.

Endnotes

- 1 For instance, advocates of devolution of power and resources to local levels tend to assume that "community-based" institutions are "democratic" and "inclusive", which is often not the case. Leach, Mearns and Scoones propose an "environmental entitlements" framework that accounts for community and ecological heterogeneity (1997).
- 2 Rural Development Division, Rural Institutions and Participation Service (SDARI), FAD, 1997 - 1999 Research programme coordinators: Dr. Kirsten Appenini and Dr. Robin Marsh.
- 3 Principal investigators were: Dr. Vasant Gandhi, Indian Institute of Management, Ahmedabad, Dr. Bart Pyrenburg, Eduardo Mondlane University, Maputo, and Dr. Raul Garcia, Centro Regional de Investigaciones Multidisciplinarias (CRIM), Universidad Nacional Autónoma de México, Cuernavaca.
- 4 In the 1997 article Uphoff distinguishes between institutions that provide value to society that transcends the interests of direct stakeholders, and organizations that serve a more limited purpose and membership, however he refers to a continuum whereby organizations can become more institutionalized and institutions more organized. In our research we do not make this formal distinction, including local organizations under the broader concept of local institutions, although the institutional profiles certainly derive into these qualitative differences.
- 5 D. Narayan, "Social Capital: Social Exclusion and Social Cohesion", a presentation to SDAR/FAD, May 1999.
- 6 See the DFID website: www.livelihoods.org for Guidance Sheets on the SLA.
- 7 Three to four villages/communities selected in each country, meeting the following criteria: 1) encompass different levels of social cohesion, 2) are integrated into both labour and output markets, 3) encompass different types of land tenure and management, 4) for which baseline (pre-reform) data exist on socio-economic conditions of households (mid-1980s to early 1990s).
- 8 Dairy cooperatives and the gram panchayat are explored in more detail in the next section.
- 9 The community appraisal report for Ppana village reports this exchange: "Farmers say labourers never work for more than 7 hours per day and often not even this, they do not work sincerely. On the other side labourers are saying that farmers are exploiting them and taking hard work from them giving little rest and paying only Rs25. If they work hard and become ill who will be responsible? Farmers would not pay for medicines and on the next day he would not allow them to work, as he is sick. So they will loose their daily wages, lunch and tea." p. 10.
- 10 Trans-boundary migration associations are another key institution linked to household livelihoods, and are covered in the next section of the paper.
- 11 Prepared by Dr. Anirudh Krishna, currently at Duke University, North Carolina.
- 12 Korten and Krishna (1999), Uphoff, Esman & Uphoff (1999).
- 13 "... it is interesting to note that communities experiencing [near absence of socio-economic infrastructure], such as Bampá, Mela and Djavula, are not in situations of alarming social disorder such as those that can be observed in urban areas, with robberies, murders, child prostitution, domestic and communal violence, and the individual and domestic misery of almost absolute poverty. While it is true that this relative social harmony is due to the isolation of the community from the cultural phenomena of urban areas, it is also fundamental to understand that this harmony is a product of the relatively effective and efficient operation of the institutions of socio-political power, economic institutions, educational institutions (the *inibabon* titles), and the justice and religious institutions that exist there." (Lundin 1999: 35).
- 14 National Institute of Statistics, 1997, *Recenseamento Geral de População e Habitação*, indicadores socio-económicos, Mozambique: Annex 5.
- 15 Adapted from Jochem Zoeteleif, "Finance From Below: Savings Arrangements and Credit Mechanisms in Dodoma Rural District, Tanzania," M.Sc. thesis, Department of Social Science, Wageningen Agricultural University, 1999.
- 16 Many of our key findings concur with the findings of the World Bank's Social Capital Initiative and Local Institutions Study described earlier, and the work of rural sociologist Deepa Narayan on poverty and social capital.
- 17 Traditional societies are also replete with local institutions that do not adjust well to changing economic conditions and democratic pressures, particularly institutions steeped in religious, racial or tribal separatism.

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Annex 1

Complementary Research on Local Institutions and Social Capital

In addition to a wealth of academic literature on local institutions and social capital, there have been a number of recent policy-oriented research efforts sharing similar objectives to the SDAR/FAO programme, and with which collaborative information exchanges have been established. These programmes are briefly described below.

Local Level Institutions Study (LLI)¹, 1995 - 2000

The Social Development Department of the World Bank with the Poverty Group has carried out cross-national comparative research on local level institutions and social capital in Indonesia, Bolivia and Burkina Faso. A major contribution of the research was to develop a "framework for data collection and analysis" which could be employed to determine the relationships between local institutions, social capital, poverty and economic development.

For analytical purposes, the LLI classified institutions by affiliation and function, origin, type of organization, and degree of importance to the household, using membership in associations for a proxy measure of social capital. The field research focused on the more formal local organizations and associations to allow for quantitative measurement and comparative analysis. Positive correlations were found between membership in associations and household welfare.

Initiative on Defining, Monitoring and Measuring Social Capital (SCI)², 1996-2000

In 1996, the World Bank's Social Development Department initiated the Social Capital Initiative to "operationalize the concept of social capital and to demonstrate how and how much it affects development outcomes" (I.Serageldin). Specific objectives were:

1. to assess the impact of social capital on project effectiveness;
2. to demonstrate that outside assistance can help in the process of social capital formation; and
3. to contribute to the development of indicators for monitoring social capital and methodologies for measuring its impact on development.

The eleven studies that constitute the empirical centre of the SCI examine the role that social capital can play in the provision of goods and services, rural development efforts, enterprise development, and the reconstruction or revitalization of social capital after conflict or political transition. The SCI also commissioned concept papers, the development of a "tool" to measure social capital (SCAT, the Social Capital Assessment Tool)⁴, micro- and macro-economic literature reviews, and an annotated bibliography.

Local Organizations and Rural Poverty Alleviation (LORPA)⁴, 1998-2000

The LORPA research programme of the Danish Centre for Development Research had the overall objective "to analyze and assess the role and capacity of different types of local organizations to bring about poverty reduction" (Webster 1998: 7). Eight country studies were undertaken to assess a series of research questions, including: how different forms of state-local relations affect and shape the conditions for (success) of a rural development strategy with a strong pro-poor dimension; the role of identity and identity formation (ethnicity, gender, religion, occupation) as a basis for collective action amongst the rural poor; and, the role of national and international institutional actors in the generation/denial/control of 'political space' for local organizations through their advocacy of specific policies and use of particular development discourses.

At the methodological level, LORPA has developed a number of inter-disciplinary field work strategies including different types of mapping exercises for exploring the relationships between local organizations, organizing practices, and poverty.

Policy, Institutions and Processes (PIP) Sub-Group⁵, Sustainable Livelihoods

The Department for International Development (DFID) of the U.K. is sponsoring far-reaching normative and development work in the area of sustainable livelihoods, with many partners around the globe. A Policy, Institutions and Processes (PIP) sub-group was established as a forum for the interchange of ideas on: "the social and institutional context within which individuals and families construct and adapt their livelihoods." Research on one or another dimension of PIP is being carried out by the institutional members of the Sustainable Livelihoods Resource Group, including Oxford Policy Management, Natural Resources Institute, Institute of Development Studies (Sussex), and Overseas Development Institute.

The paper by Mary Hobley, "Unpacking the PIP Box" is a synthesis of the key issues brought out in seven papers commissioned by the PIP sub-group, as well as two papers commissioned by FAO for its Inter-Agency Forum on Sustainable Livelihoods (Siena 2000).⁶ In addition, the International Institute for Environment and Development (IIED) has a long history of innovative policy-oriented collaborative research on local institutions and rural development, particularly in the area of community-based natural resource management⁷.

- 1 "Social Capital and Development Outcomes in Burkina Faso, LIJ Study, Working Paper No. 7, Social Development Department, WB, September 1999. "The LIJ Study: Program Description and Prototype Questionnaires," LIJ Working Paper No. 2, WB, 1998. D. Narayan and L. Pritchett, "Cents and Sociability – Household Income and Social Capital in Rural Tanzania," Policy Research Working Paper No. 1706, WB, 1997.
- 2 SCI Working Paper Series, No. 1 – 13, Social Development Department, WB, 1996 – 2000. Krishna and E. Shrader, "Social Capital Assessment Tool," paper prepared for the conference on "Social Capital and Poverty Reduction", WB, June 1999.
- 3 Main contributions of the SCAT methodology (taken from Krishna and Shrader 1999):
 - 1) Community profile which integrates participatory qualitative methods with a community survey instrument to assess various dimensions of community-level social capital,
 - 2) Household survey which includes a 39-item battery on structural social capital and a 21-item battery on cognitive social capital,
 - 3) Organizational profile designed to delineate the relationships and networks that exist among formal and informal institutions, integrating semi-structured interview data with a scoring system for assessing organizational capacity and sustainability.
- 4 H. Webster, "Introduction", in N. Webster (ed.), "In Search of Alternatives: Poverty, the Poor and Local Organizations," prepared for the Centre for Development Research Workshop on Local Organizations and Rural Poverty Alleviation (LORPA), Tune, Denmark, 1998.
- 5 Livelihoods Connect: Policy, Institutions and Processes Dimension of Sustainable Livelihoods, www.livelihoods.org
- 6 Manor, J. 'decentralisation and sustainable livelihoods'; Newell, P. 'governance'; Hobbey, M. 'organizational change and sustainable livelihoods' Goldman, I. 'micro to macro: policies and institutions for empowering the rural poor'; Kydd, J. 'sustainable livelihoods and new institutional economics'; Hussein, K. 'farmers' organizations and agricultural technology: institutions that give farmers a voice, and Ashley, S. 'livestock service delivery' Bingen, J. 'institutions and sustainable livelihoods'; Thomson, A. 'Sustainable livelihood approaches at the policy level'
- 7 See the IED website for descriptions of their current collaborative research projects and lists of their publications. www.ied.org

Annex 2

Policy Seminar on Mozambique Pilot Project: Group Work Conclusions (Eduardo Mondlane University, Maputo, July 1999)

The research team in Mozambique organized a workshop in July 1999 to present the methodology and main conclusions of the SDAR/FAO pilot project to the academic community, local government representatives, the National Institute for Rural Development (INDER), and various international organizations. In the second part of the workshop, the participants were divided into smaller groups to discuss the main "policy implications" of the research findings, at local, regional and national levels. Their conclusions, presented in plenary, are summarized below. A complete Proceedings of the Policy Seminar is available in English from SDAR/FAO, and in Portuguese from Eduardo Mondlane University, Faculdade de Agronomia.

Group 1 - STRATEGY FOR ACTION

Capacity-building of local institutions for:

- managing financial resources decentralized to local levels;
- identifying, valuing and managing resources available to the community;
- promoting local mutual help associations, such as *tsima*.

Promotion of dialogue at grassroots level, through:

- forums and councils representing the various social institutions and actors;
- platforms to negotiate, channel funds and resolve conflicts.
- recognizing and legitimizing local power.

Group 2 - STRATEGY FOR ACTION

- Redistribute tax revenue from natural resources/agriculture to the lowest levels (e.g. from cotton, water resources).
- Build a partnership of the state with the communities to provide social infrastructure such as schools, water and health.
- Enforce control mechanisms to monitor and eliminate corruption and nepotism.
- Constitute an independent judicial system.
- Ensure transparency: government information made public and transparent; open consultations held with the communities before taking decisions, and decisions made public.
- *Tsima* is a work rotation system on family farms.

Annex 3

India Pilot Project Policy Conclusions (Indian Institute of Management, Ahmedabad)

Agriculture and Food Security

- Agriculture continues to have a huge share in the rural economy and is extremely important for the incomes of rural households: both farmers as well as wage earners. Therefore agricultural development programmes, particularly those that generate employment, are extremely important for alleviation of poverty in the rural areas. It is very important that this emphasis is not diluted.
- After the reforms there is a shift in the cropping pattern away from food crops and towards cash crops. This is likely to adversely impact the food consumption of the poor – especially those who receive payments in kind for farm labour or as sharecroppers. In order to prevent this it is very important that the availability of food grains through the fair price shop system be maintained and improved.
- The majority of improvements of modern green revolution technology use have touched mainly the households with land, irrigation and livestock. There is need for technology generation and diffusion programmes to address the resource base and constraints of other groups such as those without irrigation, particularly through research and extension.

Local Institutions

- Livestock, particularly dairy milk production, has emerged as a very important income generating activity for a wide variety of households, including the landless. Cooperatives have played a major role in this development. Programmes to improve and strengthen these cooperatives can contribute substantially to alleviating poverty.
- Formal credit institutions cover only 16 percent of the households even for business credit. Access to financial resources needs to be greatly improved either through formal or through informal institutions, such as micro-credit and savings groups, to support small-scale income generation activities.
- Informal groups such as savings groups, labour groups, cattle rearing groups, women's groups and youth groups are important and play a significant role for the landless and poor. These can be used, as a basis for addressing a range of social and economic development needs.
- The participation of women in the membership as well as management of different institutions is very limited and needs to be substantially improved. In general, greater and more active participation by all members in the institutions needs to be encouraged.
- With the reforms, the economic environment has become considerably more challenging and competitive for many local institutions and organizations. At the same time the management of the institutions is purely local, resting heavily on individuals who have no specialized training. There is a great need to plan, develop and conduct good training programmes for the management and staff of these institutions in order to improve their knowledge and skills in running their organizations in a competitive market economy.

Annex 4

Participation of Rural Poor in Dairy Cooperatives A Case Study from Gujarat (India)¹

Introduction

The cooperative movement in Gujarat started with a modest attempt to organize 20 villages in Kheda district of Gujarat to collectively produce and supply milk to Bombay. This model of cooperatives was later expanded to Kheda district to form Anand Milk Union, widely known as Amul, and then, under the National Dairy Development Board, to other districts of Gujarat in the 1970s and to 170 districts of India in 1980s. The village cooperatives are linked to the markets through district-level cooperatives. Setting up of cooperatives brought about a remarkable increase in milk production in Gujarat. Between 1977-78 and 1991-92, the production of milk in Gujarat increased from about 2 million tonnes to about 3.6 million tonnes (an average growth of about 4.3 percent per annum).

The cooperatives have developed modern systems of veterinary care and artificial insemination and provide these services to a large number of milk producers at very low prices. The district cooperatives have vans equipped with a trained veterinary surgeon and medicines stationed in different centres to cater to the needs of the members of the cooperatives.

The cooperative sector has a dominant market share in milk and milk products, and has maintained it even in the face of competition from the private sector. The model of cooperatives in the dairy sector later expanded into other sectors, namely, the production and marketing of oilseeds, providing agricultural inputs and credit to farmers, and lately, production and marketing of cotton, fruits and salt.

A noteworthy impact of these cooperatives, as noted by Kurien (1997), is the introduction of modern systems of sanitation and health care in the villages. As economically viable institutions, these cooperatives also often support other tasks of rural development. The villages studied in this paper regularly spend part of their profits to support village schools and childcare centres and for investing in public infrastructure.

While all these are remarkable achievements in themselves, scholarly studies have pointed out that certain sections of rural poor have not been able to participate in these institutions. In particular, it has been pointed out that Patels, a caste of large landowners in rural Gujarat, have dominated the cooperatives. On the other hand, most landless and scheduled caste households have not benefited from these cooperatives.²

The two cooperatives studied in the paper are Piparia Women's Milk Cooperative Dairy in Kheda district and Malan Milk Producers' Cooperative Dairy in Banaskantha district. Field work for this paper was done in July 1999. The field work involved interviewing the officebearers of the cooperatives and about 40 households in the two villages. Although the selection of respondents did not follow a formal statistical procedure, specific care was taken to interview households from every caste and community, and from different socio-economic strata in the villages. These respondents were asked detailed questions on the socio-economic conditions of their

Piparia Women's Milk Cooperative Dairy

Piparia is a village of about 135 households in Matar Taluka in Kheda. Piparia Women's Milk Cooperative Dairy was started in 1996. As of July 1999, there were 148 members of the cooperative. All members are women and the Dairy is entirely managed by them. Twice a day a truck from Amul comes to take away the milk to Khetraj, about 30 kms from Piparia, where Amul has a cheese processing plant. The Dairy does not have a building of its own and is housed in part of a temple building. Being a part of the integrated cooperative network in the district, the Dairy also sells cattle-feed and provides veterinary and artificial insemination services. The veterinary services are provided by Amul, and could be availed easily and at a very low cost

(Rs. 25 per visit including the cost of the medicines). In 1997, the Dairy had a gross income of Rs. 877 349 (about US\$22 000) from the sale of milk and Rs. 188 562 (about US\$4 700) from the sale of cattle-feed.

Table 1 shows participation of different caste groups in the Piparia Dairy. In terms of membership, the Dairy is clearly multi-caste with participation from all socio-economic levels in the village; however, the "scheduled" castes are still proportionately under-represented as compared with the upper castes.

Membership in cooperatives, however, is a limited and possibly misleading indicator of participation. About 97 of the 148 members of the Dairy – most of them from scheduled/backward castes and scheduled tribes – did not supply milk to the Dairy. These included households that no longer raised cattle as well as the cattle-owning households that did not supply milk to Piparia Dairy. The *de facto* participation of scheduled castes, scheduled tribes and other backward castes, therefore, is much less than their representation in the membership.

Land relations in Piparia, as in most parts of Gujarat, are inextricably related to the caste relations. These two – caste and land relations – together are the most important determinants of participation of different sections of village society in the Piparia Dairy. Ownership of cattle varies greatly across castes. About 39 households belonging to the Patel caste own most and the best cattle in the village. A large number of poor belonging to the scheduled castes and tribes and some backward castes do not possess any milch cattle. Households belonging to the Senva and Vaghri castes are among the poorest in the village. Almost all these households are landless and work as manual workers¹. Only two of the 14 households belonging to Senva scheduled caste and two of 16 households belonging to Vaghri scheduled tribe own cattle. A few households among other castes, including small landowners like Thakur and Rathod households and agricultural labourers like Chauhan, own one or two cattle².

India	Mozambique	Mexico
Communities & castes	School-community committee	Religious traditions & festivals
Hindu/muslim festivals	Local savings council	Communal assemblies & authorities
Madrasas (Muslim)	Association of traditional healers	Agricultural sharecropping
Service cooperative society	Churches	Draft animal sharecropping
Village dairy cooperatives	Village agricultural associations	Agro-pastoral sharecropping
Milk producers' society	Community Development	Land rental contracts
Cattle rearing group	Comm.	Livestock raising groups
Community mandal	Football clubs	Use rules for common grazing
Mahila (female) mandal	Political organizations or parties	Migration networks
Youth mandal	Traditional religious organizations	Migrant associations
NGO Seva Kendra (health service)	Migration structures	Rights for family use of forest
Village gram panchayat	Traditional authorities	Management rules for forest use by community enterprises
Co-op bank	Various forms of mutual assistance	Rules for distribution of forest resource benefits
Fair price shop	'Xitique' (revolving fund)	Wage contracts for comuneros/ outside workers
Nationalized bank	'Tsimba' (work party)	Arrangements between merchants, traders and street sellers
Oil seeds coop. society	Associations of natives and friends	
Farm work for grain, tea, lunch	NGOs	
Farm work for wages	Blanchard Mozambique	
Tribal migrant labour for flour, food	Enterprise Inkomati Safaris	
Sharecropping arrangements		

A scheduled tribe community that owns significant number of cattle is the community of Rabari households. Animal husbandry and selling milk is the traditional occupation of the Rabari caste and it continues to be their main occupation. Most of the households have no land and some members of the households also work as manual agricultural workers. Many women from these households are members in the Piparia Dairy and most of these households supply milk to the Piparia Dairy.

Caste barriers, however, are not limited to differences in ownership of cattle. Even some of the cattle-owning households belonging to the scheduled castes and backward castes do not supply milk to the Piparia Dairy. Instead, these households supply milk to a cooperative dairy in Koshiyal, a neighbouring village. Koshiyal Dairy is well represented by the members from the Thakur caste, a caste of peasants owning small and medium landholdings. The Piparia Dairy, on the other hand, had been initiated by a group of Patel households and they continue to dominate its affairs. These households are the largest landowners and biggest employers of labour in the village. They own many cattle and have more than one member in the Dairy from each household.

The major complaint of cattle-owning households that did not supply milk to the Piparia Dairy was the irregularity in measurement of fat and pricing of milk in the Dairy. Under the regulations of Amul and other district cooperatives in Gujarat, milk is priced on the basis of fat content of the milk. Every village dairy has an electronic instrument to measure fat content of the milk and a price list for different levels of fat content. Measuring fat requires taking a small sample from the milk supplied by the producer and its testing in the instrument, a procedure that takes a few seconds for every sample. However, instead of measuring the fat content at the time of delivery, it is measured in Piparia Dairy only after all the milk has been collected. The sellers are informed of the fat content and the price when they come to supply the milk next time. Most scheduled caste residents of Piparia who sold milk to the Koshiyal Dairy complained of malpractices in the measurement of fat content⁵.

Malan Milk Producers' Cooperative Dairy

Malan is a large village having a population of about 8 000 persons. Malan Milk Producers' Cooperative Dairy was established in 1968 and is linked to Banaskantha District Cooperative Milk Dairy (Banas Dairy). The Malan Dairy buys milk from local producers and sells it to Banas Dairy. As of 1997, there were 1 065 members in the cooperative of which 861 were men and 204 were women. Of these, between 700 and 800 members supply a total of about 5 000 litres of milk to the Dairy everyday. Apart from trading in milk, the dairy sells cattle-feed and ghee, and also acts as a guarantor for the members who take loans for buying cattle. A van equipped with veterinary supplies and medicines had been permanently stationed in Malan by the Banas Dairy for providing services in Malan and neighbouring villages. These services – including the vet's visit and the medicines – are available at the cost of Rs. 60 per visit.

To become a member of the Dairy it is required that the person owns at least one head of milch cattle and supply milk to the Dairy regularly for the initial 90 days. Table 2 shows that over 46 percent of the members of the Malan Dairy came from 20 percent upper caste Hindu households of the village. The most important of these (41.7 per cent) were the members belonging to Patel caste. These households also own most of the land in the village. On the other hand, only 5.4 percent of the Dairy members came from the over 20 percent of households belonging to the scheduled castes.

Being in a relatively dry agro-climatic zone, the most important constraint to ownership of cattle in Malan is access to fodder. Agricultural land in Malan is either rainfed or irrigated by groundwater. The groundwater table is very low and even groundwater irrigated land cannot be sown the whole year round. As a result, obtaining fodder is much more difficult in Malan than in Piparia. Access to fodder is closely linked to access to land, and in turn, to caste relations⁶. Ownership of land in Malan is highly concentrated and sharecropping, mostly concealed, is widely prevalent⁷.

There are five communities in Malan that own most of the livestock in the village. First of these, and the largest producers of milk in the village, are the households belonging to the Patel caste. According to various informants questioned by the author, 16 percent of the households belonging to the Patel caste own anywhere between 65 percent and 90 percent of the village land. As owners of a large amount of land, they have plenty of fodder and usually own a number of milch cattle.

By Group	Districts		Overall	
	Banaskantha	Kheda		
1. Land+irrigation+Livestock	2 165.94	2 571.63	2 374.27	US\$57.9
2. Land+irrigation+No Livestock	1 938.67	2 394.40	2 145.82	US\$52.3
3. Land+Unirrigated+Livestock	1 781.12	1 839.00	1 803.38	US\$44.0
4. Land+Unirrigated+No Livestock	1 016.25	1 331.67	1 151.43	US\$28.1
5. Landless/Very Marginal	1 405.38	1 373.92	1 388.28	US\$33.9
6. Service Class	3 243.67	3 238.00	3 240.83	US\$79.0
Overall	1 885.52	1 968.03	1 926.77	US\$47.0

Note: Exchange Rate (1997/98): US Dollar 1=Rs. 41

The second group that owns cattle is a community of about 50 households belonging to the Rajput caste. These are small to medium landowners and obtain fodder from their own fields. The third group that owns livestock comprises about 250 of the 400 households belonging to the Thakur caste (grouped under "other backward castes" in Table 2). These households typically work as sharecroppers on lands owned by Patel households. Under the prevalent sharecropping contracts in the village, the owner of the land provides all the material inputs while the sharecroppers provide all the labour. Sharecroppers also bear the cost of any labour that is hired. Three-fourths of the produce, including the grain and fodder, are taken by the landlord while the sharecropper gets only one fourth of the produce⁸. These sharecroppers, because of being able to access at least part of the fodder grown on the fields they cultivate, are able to rear livestock⁹. The fourth group is a community of about 100 Muslim households. These households own small parcels of land. Some of them also work as sharecroppers.

The fifth group that owns livestock are households belonging to the caste Nai. The primary occupation of members of these households is to work as barbers. Households belonging to this caste follow common rules decided among the barbers in about 180 villages in the area. Under these rules the upper caste patrons are divided among all barbers and each barber provides services to only specific patrons. These services also include certain religious rituals to be performed by a barber. In exchange for these services, the patrons are required to provide a certain amount of grain and fodder to the barbers. It is through this tradition that this community of barbers gains access to fodder and is thus able to rear livestock.

Apart from these five communities, the rest of the households in the village own almost no milch cattle¹⁰. Malan also had two private traders of milk and milk products. While most households sell milk to the Cooperative Dairy, and the private traders rely primarily on milk produced by their own cattle, there are a few households that occasionally sell milk to these traders. This was attributed to the fact that the payments for the milk sold to the Dairy are made only once a week while the traders pay on the spot in cash (though at a lower price). Poor households, including some tribal households from nearby villages, occasionally sell milk to the traders because of immediate requirement of money despite the fact that traders buy milk at a lower price.

household, extent and nature of their participation in dairy cooperatives, and in cases of households that did not participate in these institutions, the reasons for not participating.

Table 1: Participation of different caste groups in Piparia Women's Milk Cooperative Dairy and caste-wise composition of households in Piparia

Caste group	Membership in dairy*		Households in the village**	
	Numbers of persons	Percent	Number	Percent
Scheduled caste	4	2.7	4	11.1
Scheduled tribes	29	19.6	29	21.5
Other backward castes	53	35.8	53	34.8
Upper caste Hindus	62	41.9	62	32.6
All	148	100.0	148	100.0

Source: Based on information collected by the country team, India.

* Collected from Piparia Women's Milk Cooperative

** Collected from Gram Panchayat, Piparia

Other Barriers to Participation by the Poor

Widespread illiteracy and lack of democracy in the functioning of the cooperatives are also important barriers to wider and more active participation of the poor in the dairy cooperatives.

Illiteracy

Illiteracy is widespread among the scheduled castes and tribes, and in particular among women, in both the villages. According to the latest population census (for 1991), only 4.1 percent of the scheduled tribe women in the villages of Palampur Taluka were literate. Among scheduled caste women, the proportion of literates was less than 30 percent.

Widespread illiteracy among these sections of the population is an important barrier that prevents their active participation in the affairs of the dairies. Illiterate members are not considered for membership of the managing committee¹¹. Moreover, they often find themselves at a loss to understand the proceedings of the general body meetings. Many scheduled caste and scheduled tribe households interviewed for this study reported this to be the reason for their not attending the general body meetings.

Undemocratic Functioning

It is important to point out that in neither of the two dairies is the managing committee elected. The members of these committees are nominated in thinly attended general body meetings convened once a year. The general body meeting of Piparia Dairy in 1998 was attended by only 35 out of 148 members. The general

body meeting of Malan Dairy in 1998 was attended by only 93 out of 1 065 members. According to a member of the managing committee of Malan Dairy, female members do not attend the general body meetings of the Dairy.

In both the cooperatives, the posts of the chairperson and the secretary were held by members belonging to Patel caste. Four of nine members of the managing committee in Piparia and six of eight members in Malan belong to the Patel caste. All the members in the managing committee of the Malan dairy were men.

Certain practices explicitly deny active participation in the cooperative to the poor. For example, only those members who supplied at least 700 litres of milk in the previous year and provided milk continuously for 180 days were eligible to become members of the managing committee in the Malan Dairy. In Piparia, agricultural labourers are not selected for the managing committee on the pretext that they are unable to attend the meetings because of being engaged in the fields at the time of peak labour demand.

Conclusions

The paper argues that inequality in ownership of land and caste relations are the greatest obstacles to the participation of poor households in the two dairy cooperatives studied. Land and caste relations are central to the local political and power relations in rural Gujarat. There are various ways in which access to land and position in the caste hierarchy determine the possibilities of participation in the cooperatives. In addition, an important feature of rural society that prevents the poor from actively participating in the cooperatives is widespread illiteracy among the scheduled castes and tribes and women. The lack of awareness and skewed power relations have contained any demand from below for democratizing the functioning of the cooperatives.

The two case studies described in the paper indicate that public interventions directed towards breaking caste barriers, removing disparities in ownership of land and providing mass education would go a long way in empowerment of the rural poor in Gujarat and in enabling them to participate actively in these income generating institutions. There is also an immediate need for taking steps for introducing more democratic functioning in the cooperatives.

Endnotes:

- 1 Prepared by Dr. Vikas Rawal, as a Young Professional with SDAR/FAO. The opinions expressed in this paper are of the author alone and not of FAO. I am thankful to Kirsten Appendini, Robin Marsh, Monique Nuijten, Anurudh Krishna and Vasant Gandhi for comments. I am also thankful to Vasant Gandhi and Aruna Parmar for providing me the information on cooperatives collected by the BIM country team for the FAO project and for introducing me to the villages.
- 2 In a study of a village cooperative in Kheda district, Patel (1988) found that over 75 percent of the households owning land were members of the cooperatives while only about 11 percent of the landless labourer households were members. In a study of another cooperative in Kheda district, Baviskar (1988) found that 88 percent of the big landowners (households having more than 5.71 acres of ownership holding) produced milk, corresponding proportion for landless households was only 30 percent. Also see George (1994) and Rajaram (1996).
- 3 Most houses in the settlement of Vaghri households are constructed in mud and thatch. In the monsoons, when the author visited the villages, their settlement was completely flooded and many houses had been damaged. There is no electricity in the settlement. The primary occupation of these households is manual labour. They are the only community of resident labourers who work primarily on low wage seasonal labour contracts for agricultural work.

- 4 Most of the cattle owned by households belonging to scheduled and backward castes are procured through an arrangement under which a household takes a milch calf from a cattle owning (usually Patel) household for tending. When the calf grows up, the household that gave the calf and the household that tended it have an equal share in the value of the calf. Either one of them can buy the grown up cattle by paying the other household its share in the value of the cattle.
- 5 The respondents interviewed by the author argued that the fat content in their milk was regularly under-reported in the Pipara Dairy in comparison with the Koshiyal Dairy.
- 6 In Pipara, the landless households that own cattle reported that they are able to obtain fodder either from the landowners as part of wages or were able to cut it from the sides of the fields. It is only in the monsoon season (July-August) that obtaining fodder becomes difficult for these landless households. Access to fodder is much more restricted in Malan. It is not possible to obtain fodder from land belonging to other people or from the village common land. Access to fodder is such a severe constraint in Malan that unlike the villages in Kheda, livestock is sheltered in the fields where fodder is grown and never in the homestead area of the village.
- 7 Sharecropping is concealed to circumvent tenancy law of the State.
- 8 Most commonly, because of lack of enough funds, the sharecroppers take credit from the landlord for payment of wages of hired labourers. This credit is repaid from the sharecroppers' share in the produce.
- 9 It may be noted that people belonging to scheduled tribes from the nearby villages also cultivate land on sharecropping contracts in Malan. An important difference in the sharecropping contracts between Patel landlords and tribal sharecroppers in comparison with the sharecropping contracts between Patel landlords and Thakur sharecroppers is that while both get one fourth share in the grain produced, the tribal sharecroppers are not given fodder.
- 10 Some of the households belonging to Tribhanga scheduled caste own draught camels and some households belonging to Vaghri scheduled tribe own goats.
- 11 In 1991, only 38.6 percent of women in Gujarat were literate, the corresponding proportion for men was 66.8 percent.

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Annex 5

Gram Panchayats in Malawada and Malan, Gujarat: Democracy and Local Governance

The reorganization of panchayats, after the 73rd constitutional amendment came into force in 1995, has completely changed the nature of local governance in India. The amendment created the basis for establishment of formally democratic institutions for local governance. The most important change has been that all the members of the panchayat are elected from the village. Before 1995, a number of members in the panchayat used to be nominated by the state government. An important feature of the post-1995 panchayats is also the reservation of seats for the socially marginalized sections and women.

In Malawada village there is an eight-member panchayat; of these three seats are reserved for women. Malan has a sixteen-member panchayat, of these five are reserved for women. Women have often been found to be inactive in the panchayats, however, there are reasons to believe that the minimum compulsory participation of women will be a vehicle for greater mobilization of women to participate more actively. Nevertheless, attendance at the general body meetings (gram sabha) of the panchayats in Malawada and Malan is still generally low, and dominated by men.²

An important issue of debate in the context of institutions of local governance has been the financial devolution and autonomy of these institutions. The panchayats in Gujarat have been entrusted with collection of several taxes. The Malawada panchayat earns nearly 50 percent of its income from local sources – collection of taxes, sale of wood from trees on the common land, and sale of fishing rights in the ponds.

Malan is a large village and the panchayat has access to more resources. Nearly half of its revenue is raised through taxes and about 30 percent through donations. The panchayat also has under its control 130 acres of pasture land and auctions timber and firewood from this land to generate additional revenue.

The panchayat in Malan has undertaken several tasks related to building infrastructure in the village: 5 000 ft. of concrete road, four rooms in the village school, four creches, a primary health centre, public bathrooms and toilets, and a tubewell. In addition, the panchayat has focussed on providing drinking water supplies in the village. A water tank was constructed and the main water supply pipes have been installed. The panchayat provides water connections to individual houses on the condition that the applicants bear the cost of the delivery pipe from the main pipe and arrange drainage facilities. In 1998, about 17 percent of all households had water taps in their houses. Apart from the connections to the houses, the panchayat has installed public taps in most localities from where households not having private taps can take water.

The evidence on functioning of new institutions of local governance in different parts of India has indicated vast potential of using these institutions to generate local resources. The findings from the study villages broadly support this body of evidence. The panchayats have undertaken several activities for village development. These activities can be strengthened by further devolution of resources and powers to these institutions. In particular, the panchayats have shown exemplary performance in several states in respect to implementation of rural development programmes.

effectiveness of these programmes has been found to be markedly better in States where panchayats were involved in these programmes¹.

An important rural development programme that is yet completely outside the regulation of the panchayats in Gujarat is the Indira Awas Yojana, the largest housing scheme for the poor in India. The construction of houses under Indira Awas Yojana had been carried out in both villages through contractors and the block-level bureaucracy. Field work showed that some of the houses had been allotted to the families that already had houses and these families had in turn rented out the allotted houses to the homeless. A clearly better track record by panchayats as implementors of rural development schemes in different States of India would indicate that panchayats in Gujarat should have greater involvement in overseeing the work done under schemes like Indira Awas Yojana.

Endnotes:

- 1 Prepared by Vikas Rawal while a Young Professional with SDAKYAO
- 2 It may be useful to mention that in West Bengal, a state where panchayats have been known to have done exemplary work for over two decades now, a recent legislation made it mandatory for the panchayats to ensure that the gram sabha meetings are attended by at least fifty percent of the population
- 3 Examples of successful interventions by panchayat in irrigation development are cited in, V. Rawal, "Public Interventions by Pancharati Raj Institutions: A Case Study of a Gram Panchayat in West Bengal", 1997. "Panchayati Raj Institutions have been involved with almost all of the developmental activities of the state at the village, block and district levels. The role of the panchayat is generally to identify the right beneficiaries, make people aware of the opportunities available to them, and ensure that the benefits actually reach their proper destination."

Annex 6

Traditional Authorities in Mozambique

Historical Background

Traditional chieftancies in Mozambique are decentralized institutions attached to a given territory (unlike tribal chieftancies). The Portuguese colonial administration defined land boundaries and territories for their own intents and purposes; at that time many traditional chiefs lost authority over "their" own population, while other chiefs gained power over a population over which they had no traditional rights. Many of the chiefs became associated with, or new ones were appointed by, the colonial regime – under what was in effect indirect rule – to undertake a number of jobs and functions¹. According to the six-year research project by the Ministry of State Administration (MAE), "(...) after a generation this task [of acting as middlemen] came, in the collective unconscious, to form part of the very nature of being a traditional chief, even though this is not the case" (1996; parenthesis added).

The FRELIMO government of post-independence Mozambique then opted for a policy of exclusion of traditional authorities from power², replacing them with party secretaries, accountable directly to the party leaders in national government. There exists, however, evidence that customary institutions were never *de facto* completely or always without real influence in the rural areas, although details on their position and relationships within the social structure are rather locality-specific (Messer 1998). Before and during the 17 years of civil war that ravaged the country, the armed RENAMO opposition took advantage of the FRELIMO stance toward traditional authorities to win them for their cause, collaborating closely with them. Therefore, the degree of local legitimacy of traditional authorities varies tremendously, and reflects the history of their interaction with the Portuguese colonial regime, and the FRELIMO government and RENAMO opposition after independence.

The Legislative Framework and the Current Decentralization Process

Since the Peace Accord in 1992, political events in Mozambique have called into question which type of policies to adopt vis-à-vis traditional authorities. Under economic liberalization policies the latter will be conceded more latitude as the state continues to withdraw many of its former support structures from rural areas; furthermore, decentralization may provide a new window of opportunity for "bottom-up" sustainable development. Laws 5/78, 6/78 and 7/78, of 22 April 1978, replaced the colonial administrative structure and introduced a system of governance resting on three levels: national, provincial and local (cities and districts). By 1983 it was publicly and officially recognized that the administrative system was excessively centralized (Guambe 1998). Thus, in 1987 further steps towards decentralization were taken, and on 13 September 1994 Law 3/94 established the Local Government Reform Programme of municipal

administration. This programme, encoded in the *lei dos municípios*, includes the principle of "respect for, and collaboration with, traditional authorities", which was kept expressly minimal and loose, to allow for flexibility to adapt to the diversity of the phenomenon of traditional leadership in Mozambique.

The New Land Law (19/97)

The role of customary institutions in supervising access to land, particularly amidst recent waves of return migration, has been observed (Tanner 1996). Under the new land law, passed by parliament in September 1997, individuals or communities can acquire land rights through occupancy and use of a piece of land for a period of at least ten years, or by occupying land according to "customary norms and practices", provided these are not contrary to the constitution. However, "the nature and capacity of community-based land management institutions is an issue, as is the question of the articulation between customary and formal state authority, at locality and district level" (Quan 1999).

Local Institution Profile: Traditional Authorities¹ In Mozambique

The theoretical and practical foundation of traditional authority is of a symbolic-religious nature, and is ultimately given legitimacy only by the communities themselves (endorsed through councils of elders). They are thus "grassroots institutions" that in effect have to negotiate their power day-by-day, and therefore embody a degree of flexibility that may be extremely useful for the efficient management of natural resources. The physical closeness to their "constituency" allows for the application of a set of rules and norms that will rarely be out of touch with the ecological reality and the management and conservation requirements of the natural resources in their territory. In West Africa, experience with the "gestion des terroirs" approach has shown that, for example in the case of managing and negotiating transmigrants' cattle corridors this flexibility is vital if ecological degradation and social conflict are to be avoided. It may also ensure that cultural rights and local self-determination are respected within the complex ethnic mosaic of Mozambican society, including, for example, matrilinear as well as patrilinear groups.

Traditional chiefs have legitimacy, on religious and lineage grounds, as mediators between a given ethnic group and its environment. The primary function of traditional authorities is to ensure peace and harmony in the rural communities within their territory (*território*). Thus, a "bad" chief would be someone not able to assure this, for example, during celebrations when people consume alcohol and fights break out. Mediating in land conflict resolution and regulating access to land are thus the main tasks of traditional authorities. Most of the time solutions are reached among the parties involved, often with the mediation of the respective local lineage chief(s). Only when the latter are unable to reach a verdict acceptable to everyone is the traditional chief approached. He or she is acknowledged to have ultimate knowledge of the customary geographical boundaries and will take a decision, in consultation with his or her counsellors. To make land claims before the traditional authorities usually takes the form of oral testimony by credible witnesses, a practice accessible to all.

State institutions charged with land administration are rarely approached for conflict resolution (Mucussete 1996), unless one of the parties stands to gain from their involvement, as when they derive legitimacy to substantiate their claim from modern legislation rather than customary rights. There is in fact a broad (and not necessarily consistent) repertoire of norms and laws that the more shrewd individuals can draw upon and interpret to their own advantage. The resolution of land conflicts, therefore, becomes somewhat unpredictable, and the involvement of the traditional authorities does not guarantee that outcomes favour the poor. Rather, results are determined by a dialectic relationship between traditional norms and individual behaviour, and may be strongly influenced by political considerations. Switching legal arena to influence the outcome of disputes is an opportunity that is more difficult to seize for the poor than it is for better-off and informed rural households.

In practice, the actions of party secretaries and traditional authorities continue to coincide, and include, among others, the task of teaching agricultural production techniques. In many areas, (e.g., Banga and Djavula) the former have disappeared altogether (Lundin and Alfane 1999).

Natural Resource Management and Development Projects

Great care is needed to reach an appropriate balance of respect for traditional authorities and their role in representing the interests of local communities, while still aiming to redress grievances that emerge from these same institutions. For example, in the case of projects that promote individual land titling for women in patrilinear societies – without doubt a laudable and often crucial development objective by itself. However, were the project to end or go awry, these women may no longer be able to claim support from their communities, which they would have had under the traditional mode of access to land.

In Banga, Tete province, 1996, the PROAREA UNDP-supported community development project assisted in establishing a Community Development Committee (CDC) to represent the interests of the community and to coordinate activities. The CDC includes 11 annually elected members drawn from different sectors of the Banga community: women and youth have their representatives, and a local traditional authority (*nyankwawa*) is also a member. The latter, in charge of traditional cultural transmission and education (including in agriculture), brings to the CDC his

Traditional authorities also contribute significantly to the maintenance of social capital, for example by mediating accusations of witchcraft (in northern Mozambique: *ufiti*) and other similar conflicts. These accusations are frequent and occur from the bottom to the top of the social hierarchy, from the poor to the rich. This implies that individual accumulation of wealth takes place within the texture of both vertical and horizontal solidarity bonds in a given community. Therefore, as a result of witchcraft accusations, the accused will be exhorted by the traditional authority or some other form thereof (e.g. a local tribunal), to allow for some redistribution of their economic wealth, either through the networks of mutual assistance (*ayuda mutua*), or, more indirectly, by paying for health care, school fees, funerals, marriages, etc. This type of "transfer" is also sought in relations with the State. For example, a widow in Banga (Tsangano district, Tete province) in charge of five children, solicited the help of the local chief (*nyankwawa*) to approach the local administrator (*chefe do posto*) to be exempted from paying school fees. The administrator rejected her case with the justification that her children are young and healthy, so they could open up fields (*machombos*) and cultivate them to pay for the fees. This example shows that for the most marginalized segments of rural society, traditional chiefs remain an important "interface" with local government officials to enlist certain types of services and support.

In lineage-based, hierarchical societies, mechanisms for redistribution are an expression of the moral obligations of the more senior members of the community who are in charge of ensuring social and spiritual reproduction, as well as its more junior members in charge of ensuring economic welfare through adequate levels of agricultural production and trade. These mechanisms are essentially networks of mutual support and solidarity, as well as clientelistic relations among kinship groups of unequal social status. The historical power relations and priority rights of some lineages are largely the consequence of who occupied the land first: the descendants of the first to settle and open up fields will claim superior social status, as will those who are members of a lineage that came to dominate others through battle and conquest. Dominance and privileges of one particular lineage and clan, therefore, have their roots in the ancestral domain, legitimized through religious ideology and ritual by means of the symbolic capital embodied in traditional authorities (Bourdieu 1977). This leads to the configuration of local property relations and differentiated rules of access to land and other natural resources, in turn leading to the subordination and poverty of certain clans.

Policy-makers in Mozambique realize the importance of making decentralization, and the implementation of the new land law, as participatory and transparent as possible, creating an enabling environment to tap social capital for local development efforts. (...) Land policy issues raise fundamental questions of rural governance, and the law itself requires further legislation to clarify exactly how rural communities can hold land, women's land rights, and the roles of the various forms of customary authority in Mozambique" (Quan 1999). Following the MAE research project, the Government is currently giving more thought to what the articulation between traditional authorities and the State could look like. For the time being, no legislation exists that addresses this important issue directly, and the only law (2/97) mentioning traditional authority at all pertains to urban settings. The very low turnout at the October 1998 local elections in 33 newly created urban municipalities calls attention to the fact that, to borrow a phrase from Fox (1996), civil society takes time to thicken.

experience and that of his court of counsellors (*mulumudzana*). These arrangements have worked well on the grounds of both local legitimacy and efficiency, such that in only three years the CDC has taken up a wider role in local governance and seems prepared to continue beyond the end of PROAREA.

Endnotes

- 1 To serve as rural police force, tax collectors, to mobilize joint labour for infrastructure and other works, etc
- 2 See also Bakoy-Arfani, 1997
- 3 Traditional authority includes (Lundin 1998) those who hold local traditional power – the traditional chiefs, the lesser lineage chiefs, the chiefs of social groups, those who hold spiritual power, the traditional doctors, the herbalists, those who know the essential skills for the basic physical survival of the community, those who know and can work with the mechanisms of social control, and those who control cultural transmission. These powers, skills or tasks can, and usually do, overlap in the person of more than one individual.
- 4 Their relationship to the land is determined by where the ancestors of a given lineage are buried, thus, chiefs are the symbol of an intimate alliance with their territory.

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Annex 7

Mutual Assistance Institutions in Mozambique¹

Introduction

Help implies a mutual action which signifies assistance for some and prestige for others. People receive or ask for help in times of need, asking for food when production is low; for support when there is illness or a death in the family or for assistance in times of celebration (weddings and children's initiation rites). Individuals may have an obligation to help (e.g. maternal uncles or traditional leaders) while others may help because of the social prestige it brings them (Lundin 1999).

Help and mutual cooperation are based on reciprocity: the principal objective is to provide help in the present and be helped in the future. These forms of help are viewed positively in the community: *'People feel that if they help others, they will be helped themselves.'*² Arrangements are mostly made between individuals in the same region, among families, neighbours or friends or between people of the same social class (Vugt 1992). Women tend to participate in these arrangements more often than men (Dava *et al* 1998).

There is evidence that forms of mutual help have existed for a long time. For example, *Tiima* was practised in the 1950s³ in the south of Mozambique (Felicano 1998). These forms of help tend to adapt themselves to the political, social and economic changes in the country (INDER 1998). After Independence, when the war and economic instability damaged the social fabric, families made great efforts to increase their options, acquire rights and responsibilities with people with whom they had no links of kinship, offer consolation, information, money and sometimes labour in the short and long term (Lundin 1991, GOM 1997).

The forms of mutual help discussed in this document are mainly based on a survey carried out by FAEF in collaboration with FAO. This study was of rural household income strategies and household interactions with the local institutional environment. Additional information was obtained from other works on the subject.

Policy Implications

For some time, various entities have focused their attention on forms of mutual help. In 1977, the Mozambican Government recognized that the social protection network was breaking down as a result of introducing a monetary economy. The government did not acknowledge the importance of social protection mechanisms in the redistribution of income or resources to people suffering from food insecurity (GOM 1997).

In the present debates about livelihood strategies, there has been a general tendency to make use of forms of mutual help which are already rooted in rural communities. These are used to reduce poverty and promote sustainable development. Various policy recommendations have arisen from these debates.

Some external institutions have tried to make use of the communities' existing social fabric by promoting 'compulsory' membership of associations between members of the community. Examples of these programmes are the micro-finance projects which concede credit to groups. It would be beneficial to establish

Institutional Forms and Actors

Xitique

Xitique is an informal saving and credit arrangement based on mutual trust. Two or more people contribute a fixed sum which is lent in turn to one member of the group. The period between contributions differs from region to region, being made daily, weekly or monthly. This arrangement is common in the south of the country. In the urban zones, many women use the income to build their houses, connect electricity or buy fridges. They may invest in informal trading of cigarettes, drinks or perfumes and sometimes buy or rent commercial premises (INDER 1998).

Despite the proliferation of agricultural/livestock associations and cooperatives among subsistence farmers in rural areas, the traditional *Xitique* is still important (INDER 1998).

Rotating Work System

This is a form of mutual help whereby work is exchanged for work, normally in crop fields (clearing, ploughing and harvesting). Families practise this as a way of satisfying their need for additional labour. Those involved work for others on a rotation basis whenever they are asked to provide help.

The name of this form of mutual help differs from region to region, although the type of work is the same. In Massoane it is known as *Kudzimissana*. In Netia, the term *Omiliha mattu* signifies a group of people providing mutual help to clear land. In Banga, the same practice is called *Tsikumu*. In Zambezia, *Cucumbi* is a rotating production system where groups of subsistence farmers establish a calendar for free collective work in members' fields (INDER 1998).

Forms of Cooperation Based on Exchanging Work for Money

Families in some regions often offer labour in exchange for money. The idea behind this is that when a family has money it should help needier families; it would then expect to receive the same kind of help in times of crisis. This arrangement is flexible in that sometimes food is received instead of money.

Hlongovane in Massoane is practised by 27 mothers of a Presbyterian church. The women work in each of the members' fields, receiving 20 000Mt as wages for their work. In Xitoco, also in Massoane, individuals provide farm labour (mainly clearing and ploughing) for another person in exchange for money (15,000Mt).

With *Xicoropa* in Djavanhane, 25 000Mt to 30 000Mt (or 5kg of maize flour) is received in exchange for farm work.

Ganho Ganho is a form of collective work mostly practised in Zambezia. It has existed since the colonial era when local people were contracted to work on the tea, copra and sisal plantations in exchange for money and products. Presently, *ganho ganho* is carried out between members of a community and involves voluntary, seasonal work. Payment depends on the area worked. The owner of the crop fields prepares an informal 'contract' which establishes the work to be done and the monetary costs involved ('salary').

Exchange of Work for Food

This consists of exchanging individual or group labour for some kind of food. *Ethima o mato waka* in Netia is when meals (beans, chicken, duck and sometimes goat) are provided for workers when their task has been completed. Children also participate in this kind of work. *Omiliha mokhoka* (dried cassava) is also practised, where help is provided in the fields in exchange for dried cassava.

In Banga, *Mongowa* is practised whereby an individual asks others to help with any type of work in exchange for agricultural products (cereals) for consumption. This kind of work is normally carried out by those who have had unsuccessful harvests.

In Zambezia, *Waqwelana* is a kind of collective work whereby a group of subsistence farmers help to build the house of a particular member of the community. In exchange, they are offered drinks, traditional food and even money, depending on each person's contribution (INDER 1998).

Exchange of Work for Drink

This is a form of individual and collective mutual help whereby a person who is unable to complete a particular task on time invites members of the community, relatives or friends to help. These people are given drinks after work has been completed.

In Mukhumi in Netia, a meal and a local traditional drink called *otteka* (derived from sorghum) is prepared and served to participants when work has been completed. Some people practise *Mukhumi* without serving *otteka*. Instead, they slaughter an animal and offer participants the meat with *ximo* (stiff porridge made of flour and cereal). This arrangement is called *Dzima* in Massoane, *Tsima* in Djavanhane and *Dima* in Banga.

Mutual Cooperation Based on Breeding Livestock

This type of practice is carried out by families who want to start breeding livestock. The interested family asks to borrow animals from another family and the animals are kept until they reproduce. The animals and their young are then returned to the owner who gives one of the young and sometimes a pair in compensation. *Kuveqelssana* in Djavanhane and *Kubiquisselano* in Massoane are carried out with chickens, goats and bulls. These practices began many years ago in these villages and have never been altered. However, since the war, fewer people participate in these arrangements because there are fewer animals.

In Netia, *Ovalihiya* is when a family asks for a female animal to breed, normally a chicken. This arrangement began a long time ago, and has changed over time. Some people do not return the animal that they have borrowed and others return a male instead of a female.

Dance Groups

Although theatre and dance groups are not strictly speaking mutual help groups, they share some of the same characteristics. Members pay subscriptions after agricultural produce has been harvested and sold. The group receives money from those who watch their performances and from the people who invite them to perform. The money is distributed to the members or else saved for the group. In some of these groups, the members have to work for money in order to travel to performances.

The dance groups aim to teach through entertainment. They present problems that affect the local community, praise or criticise the work of certain governors, criticise bad government, reprimand cases of bad social behaviour among members of the community and educate the population. The groups teach through songs related to particular events and subjects which lend themselves to being presented in this way (Lundin 1998).

Providing and Receiving Help, Redistribution and Reciprocity⁵

Members of the community with economic property (agricultural and/or cattle) are greatly valued and differentiated in society. These people have the power to influence other members of the community with their opinions. Members of these elites are important in the rural (and urban) community because of their status, social function and property. To maintain their status, the elites need the support of other members of the community in a relationship based on giving and receiving: they have to be good leaders in order to earn the respect of the community.

This suggests that social differentiation exists within existing principles of solidarity. Above all, there are important social aspects to wealth accumulation in a cohesive community. These aspects are considered to be positive: part of the wealth accumulated by those at the top of the hierarchy trickles down to the majority in the form of benefits to the most needy, according to the principles of reciprocity and redistribution. This wealth is redistributed to needy members of the community through the traditional networks of mutual help and other mechanisms of indirect investment (such as education, health, roads, loans of transport, parties and celebrations). These are also forms of legitimizing wealth.

Rural families continue to have great faith in these forms of social interaction. When they are questioned about the validity of these forms in the present day, they argue that: i) they have spiritual and moral value; ii) they improve solidarity in the community (between those asking for and providing help); iii) they are useful because family subsistence production is inefficient and insufficient for food security. This social interaction, based on local precepts, is an alternative manner of solving individual social and economic problems.

partnerships between the State, NGOs and religious institutions to provide social services (Dava *et al* 1998).

The government sometimes provides incentives for forms of social assistance to the vulnerable groups of society, that build on traditional norms and institutions. For example, it supports a credit project implemented by HELPAGE. This project concedes credit to young, physically able people to develop income projects. The interest on the loan is paid into a social action fund to help the elderly in the village (Dava *et al* 1998). There are similar initiatives in other regions, such as *Mgvirizano* in Banga.

A system of local and regional communication to support rural families has been proposed (INDER 1999). Cultural groups, such as dance groups could be potential means of communication at the local level given their objectives and their acceptability and credibility. They could, for example, transmit messages about family planning and domestic economy.

The *Xitique* groups demand a level of commitment – based on social relations, which ensures the group stays together and no one abandons the group. These aspects could be incorporated into NGOs' micro-financing programmes. Instead of creating new 'artificial' groups, groups could be composed of people who already have strong cooperative bonds.

It is important that these foci of social morality in the community are better understood so that their function in maintaining a certain social equilibrium could be supported. They could then be used, if necessary, in social promotion and community development programmes (Lundin 1999).

Endnotes

- 1 Prepared by Claudio Massingalela, Eduardo Mendlane University, Maputo.
- 2 Horacio Marcelino in Banga.
- 3 Isma is an individual and collective form of mutual help. When someone feels unable to complete some work on time they invite members of the community, family members or friends to help them. These people are later compensated with drinks.
- 4 1 US Dollar = 12 100Mt (1988)/ 13 300Mt (1999)
- 5 Taken from Lundin 1999

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Annex 8

Churches and Rural Development in Mozambique¹

The History of Religious Institutions in Mozambique and Relations with the State

Catholic and Protestant churches have been active in Mozambique since the late 19th century, and Islam was established in Mozambique long before then. From the start of the 1940s to the beginning of 1974, the south of the country was largely Protestant; the centre held traditional beliefs and the north was essentially Muslim. There was a significant Catholic presence in all of the regions (Jessen 1997).

One of the noticeable influences of Islam (which is ubiquitous in the northern coastal areas, particularly Cabo Delgado, Nampula and Zambezia) was the instruction of traditional chiefs to read and write. Also, Islam did not condemn initiation rites which is one reason why these practices are so common in the north. Christianity was more prevalent in the south, and considered these rites to be immoral (Arnfred 1990).

In the colonial period, the Protestant churches published magazines and small newspapers in local languages to inform people about the social and political situation in the country and encourage them to study at secondary level (which was not permitted by the colonial regime). With the introduction of a new state in the 1930s, Mozambique's status was changed from a colony to a province, Ultramar. The Catholic church was given the task of teaching Portuguese to Mozambicans. The aim of basic primary education was to "civilize the natives" by teaching them the language and customs of the Portuguese. This caused conflicts between the state and the Protestant churches.

After Independence, the new Marxist-Leninist government declared itself to be secular. The constitution permitted religious freedom and equal rights for all legally accepted churches². There was tension between the churches and the state in the years following Independence. The most serious conflict was caused when the state nationalized the religious institutions' property. Without their schools and hospitals, these institutions were deprived of their traditional means of serving the people.

In 1979, there were signs of change in the government's position regarding the religious institutions. The Catholic and Protestant leaders were invited to participate in a parliamentary session in which the religious institutions were given a new role. They were to participate in the process of national reconstruction and support the most needy members of society during this difficult phase. The government agreed with the Protestant churches' proposal that it should be responsible for distributing 10% of emergency relief received by the Christian Council of Mozambique (CCM). The other 90% should be distributed by the Department for the Prevention and Combat of Natural Disasters (Van Koevering 1993, Jessen 1997).

Despite the difficult relationship between the churches and the state up to 1979, the churches never remained passive and continually sought solutions to end the conflict. They were always a force for peace. This important role reached its peak in 1992 when the churches participated in negotiations that culminated in the signing of general peace accords after the Civil War.

Types of Churches in Mozambique

The number and types of churches in Mozambique have tended to increase since the signing of the peace accords in 1992, initiating a period of liberalization and more religious freedom.

Table 1. Churches existing in Mozambique and percentage of believers (over 5 years old).

Religion	Residential Areas		
	Urban	Rural	Mozambique
Catholic	25.2	23.2	23.8
Muslim	17.7	17.9	17.8
Protestant – Zion	21.7	15.7	17.5
Protestant – Evangelist	8.8	7.4	7.8
Christian (unspecified)	2.7	4.0	3.6
Animist	1.3	2.5	2.1
Others	1.9	1.5	1.6
Non-Religious	17.8	25.4	23.1
Unknown	2.8	2.8	2.6
Total	3 757 000	8 879 000	12 636 000

Church Activities

Generally speaking, the churches' main activities are related to evangelism and bible studies, and to a lesser or greater degree, to community social and economic development. The main activities of Islam, practiced primarily in the North, are related to education and social conduct.

Voluntary Work on Behalf of Churches

There are associations of church members who practise *ganho-ganho* (work for cash) as a way of raising funds for their congregations. In Massoane, some mothers of a Presbyterian church have formed an 'Association of Mothers of the Presbyterian Church'. These women work in members' crop fields whenever help is needed, in return for 20 000Mt. The association also sells produce from a collective field.

Support for the Most Vulnerable

Generally speaking, all the churches support the neediest groups, offering moral support and distributing money and clothing to households on the death of a family member. This support is provided by church members' contributions, which may be in the form of food, clothing, seeds, taking the sick to hospital or providing labour for people who are unable to work in their own fields.

In Banga, for example, members of the National Church of Abraham have to follow the rules of the church (good behaviour, respect for others, church attendance on Sundays), and in return they have the right to support when they are ill, when they need housing and other types of assistance (Lundin and Alfane 1999).

Table 2 below shows the type of churches and numbers of worshippers in four villages in four provinces (Tete, Gaza, Maputo and Nampula). With the exception of Islam, there are more female than male church members.

Source: FAQ/EMURDER pilot research project in Mozambique: Household income strategies and interactions with the local institutional environment

Name of Church	Number of Members per Village			
	Banga	Djavanhane	Massoane	Netia
Catholic Church	700 members	20 men 40 women		32 men 110 women
Reformed Church (CCAP)	110 members			
Jehovah's Witnesses	57 members	9 men 15 women		
National Church of Abraham	200 members			
Evangelical Church of the Good Shepherd		1 man 49 women 140 men		
Apostolic Church		200 women		
Nazarene church		9 men 11 women 45 men		
Zion Church		86 women		
Weslian Methodist Church		5 men 46 women	2 men 10 women	
Presbyterian Church			14 men 53 women	
Muslim religion				80 men 50 women
African Assembly of God				61 men 70 women
Assembly of God		13 men 217 women		

In Djavanhane, the Zion church is involved in curing illnesses and the Church of the Old Apostles cures illnesses caused by witchcraft.

Some churches offer food to rural communities in exchange for work. CARITAS, for example, is a non-governmental organization linked to the Catholic church that has worked in the south of the country since the emergency period. It is funded by the World Food Programme and is presently implementing a 'Food for Work' programme for building roads and schools using local materials.

Education and Reconciliation

Since 1995, the Christian Council of Mozambique (a forum of Protestant churches) has implemented a project to "transform guns into hoes". This consists of collecting rifles and other objects from the war and exchanging them for hoes and other agricultural production materials. The materials from the war are then destroyed or turned into sculptures that are exhibited in Europe and America. The CCM intends to establish a culture of peace through this project, helping the transition from a state of war. The project's mission is to strengthen democracy and civil society. It also encourages people to maintain peace through promoting reconciliation and helping to initiate productive activities (CCM 1999).

Among other things, the church leaders help to resolve conjugal problems and difficult relationships between individuals. They teach social behaviour and how to live with others, and participate in campaigns to prevent illnesses.

The churches tend to discourage people from consulting traditional healers, and instead encourage them to seek treatment in hospitals. They also motivate members to send their children to school.

Role of Churches in the Development Process

The churches bring many people together regardless of their social status: members may be rich or poor and have a variety of political beliefs. This fact could be used to promote development changes, seeing as the churches have enormous potential for mobilizing their congregations.

The NGO World Relief, for example, makes good use of the churches' mobilizing role. World Relief participates in health and education and works with volunteers who are assigned to blocks of ten families. Each volunteer is responsible for transmitting and receiving information. Before becoming responsible for information, the volunteers participate in capacity-building meetings (where they receive bible lessons among many other things). The institution is also dedicated to training the father members of many churches in AIDS prevention. These fathers then become responsible for transmitting this knowledge to their congregations.

World Relief also runs micro-financing programmes. In Chokwé, the institution develops micro-financing activities among existing groups of women who run small businesses.

Most of the churches' activities are funded by regular contributions made by their congregations. Although the contributions are compulsory, not everyone pays. The contributions are usually monetary although sometimes goods are accepted. Some churches have agricultural fields where the congregations contribute their labour. Another source of income is working in other people's crop fields in exchange for money. The payment of regular contributions can be seen as a positive practice, in that it helps to instill the notion of contributing towards the maintenance of a communal system (which in this case is religion). The habit of making contributions seems to be of considerable importance in promoting associations.

Many churches impose restrictions on their members which include not practising polygamy, not drinking or making alcoholic drinks and not belonging to the government, the armed forces or political parties (in the case of Jehovah's Witnesses). The restrictions enable the churches to establish discipline within the congregation, which can be transferred to the type of discipline and responsibility needed to engage in micro-financing scheme, among others.

In Banga, the Catholic and Reformed churches collaborate effectively with the president of the locality in mobilizing people. In many places where traditional and administrative power lack legitimacy and acceptability among the people, the churches can influence them to participate in the various community programmes.

A link could be established between the churches and NGOs to implement activities such as encouraging people to take certain measures to prevent and cure illnesses (e.g. AIDS prevention).

Regarding gender, the power relations between female and male church members are questionable. There is a traditional belief in many churches that a good woman is one who has a lot of children and is eager to stay at home and serve her husband. Thus, men have greater decision-making power in the churches. On the other hand, women are often marginalized in development programmes, so the fact that more women than men attend church could provide a good opportunity for various programmes to reach women.

Conclusion

The church certainly plays an important role in the development process. Since the end of the war, a growing number of new and old churches have established themselves in rural and urban areas. Although their main activity is evangelism, the churches provide significant support for other governmental and non-governmental institutions. The churches have a socio-economic impact on their congregations through their provision of emergency support to the most vulnerable, and mobilization of their congregations to engage in community public works (voluntary or for food) such as building of roads, schools and clinics. Another important role that the churches could play is to improve social cohesion within the community, beginning with collaboration between the religious institutions and the local power structures.

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Annex 9

Migrant Associations in Two Oaxacan Rural Communities¹

In many marginalized rural areas, labour migration has become the main subsistence strategy. Migration enhances the security of the household economy because it provides a more important and stable income than local production. However, migration rarely induces a sustainable development dynamic of sending communities. In some immigrant communities, migrants' associations have been created in order to promote in their communities of origin a better collective management of remittances for the public good. This paper proposes to identify the main effects of these institutions through the example of three migrants' associations based in Los Angeles from two Oaxacan rural communities: San Pablo Macuiltianguis (SPM) and San Juan Teitipac (SJT)².

Profile of Oaxacan Migrant Associations

Migrants are rarely isolated. They are linked to their households by a migratory "contract" which regulates the relation between family, community and the migrant. Moreover, they are often part of migratory social networks structured around belonging to a same community, or, in a more developed form, of migrant associations (MA). Migrant associations appear in immigrant communities as relatively homogenous groups, characterized by a great identifying attachment to their sending community, as are the Zapotec MAs to which the SPM and SJT migrants belong.

As in the case of most migrant associations, the oldest association of Macuiltianguenses in Los Angeles, the *Organización Pro-ayuda Macuiltianguense* (OPAM) and the SJT's migrant association, *Nueva Esperanza*, were created and are administered by the immigrants. The sending community authorities may also stimulate the creation of an association in order to maintain the immigrants' connection to the village and/or to capture a part of the remittances, as in the case of the second Macuiltianguense association: *Asociación 2 de Abril* (AZA).

These associations represent the relatively simple organization which characterizes most Mexican migrant associations in the United States. They are characterized by the constitution of a ruling committee (*mesa directiva*) composed by a president, an executive secretary, a treasurer and, depending on the association, one or more *vocales*, responsible for the organization of a specific activity (e.g. dances, sport events).

In the case of NE and OPAM no registration or financial contribution is required for membership: eligibility only depends on belonging to the same sending community³. Thus, the characteristics of the membership reflect the immigrant community itself: a young population (average age is close to 30 years), composed by a relative majority of men, which tends, however, to diminish with the increase of the family reunification process. Urban-based immigrants are mostly employed in low level services.

Three levels of participation can be identified within the SPM and SJT migrant associations. The first level is constituted by the ruling committee members. They are more long-standing immigrants, better integrated in the US, and those who belong to influential groups in the community. A second level includes a reduced number of active members who help to organize the fundraising events. They constitute the association's hard core, the ones who participate regularly in general meetings. Among them can be found ex-leaders or members of their families. The third level of participation is constituted by the majority of the sending community migrants, whom might better be called "friends" rather than "members" because of their less vigorous participation in the association's life. They do participate more or less regularly in the dances and sport events. Within the three associations, women are excluded from the posts of major responsibility, although they can vote. Women are often involved in the organization of entertainment events, to which they dedicate a lot of time and effort.

The organization and the functioning of these associations fit with the relatively modest objectives that they have been promoting until now. The two SPM associations dedicate most of their efforts to the organization of entertainment events in order to collect funds for the annual cultural festival at home (*la Guelaguetza*). These activities are aimed at maintaining the migrants' attachment to the community. Social services, such as sharing information on migrants' rights, are also organized.

In both communities, migration plays an important role: more than half of the population lives outside the community, mainly in Los Angeles. This migration concerns the more active part of the population, which has important implications for the economic and social life of both communities. The departure of a large part of the labour force increases the importance of remittances for the households: three-quarters of the immigrants send regularly to their household an average of US\$100 per month. Thus, the challenge that out-migration poses for the households and communities of origin explains the formation of institutions that regulate migration activity and whose objective is to maintain links between the sending community and the migrants.

No development projects for SPM have been implemented, however, collection of remittances, with a strong symbolic connotation, are regularly sent for charity and social works (e.g. remittances were sent by A2A to help the victims of the Paulina hurricane) or to finance the patron's festival.

In contrast, the main objective of the migrant association NE is promotion of development initiatives in the sending community. For the moment, NE has only completed one project: the purchase (US\$17 000) of a van in order to convert it to an ambulance. The association organized a few entertainment events to gather this amount of money. The rapidity with which this project was realized makes the leaders confident of the realization of more important and complex projects in the future.

The relationship between the sending communities and their associations, as well as the sending area context, determine the orientation of the MA towards development initiatives. The examples of SJT and SPM are illustrative. At the beginning of the 1980s, the SPM immigrant community in Los Angeles was united, leading to the creation of the OPAM. In 1995, the public engagement of OPAM leaders in defense of a minority faction within SPM divided the immigrants' community. The SPM authorities, associated with the majority faction, reacted by creating the alternative MA, A2A. The new leader of this association was designated by the SPM authorities. Since then, the SPM authorities and the new association have no contact with OPAM and are against any intervention of the latter in the community. Within SPM, the migrant association is not seen as a factor of transformation of the community and its livelihood systems. The existence of forestry activities in SPM, which provide income for micro-projects for the community (CRIM, 1999), reduces considerably the MA's role as an actor in development. However, the sending community is aware that it can rely, during a crisis, on the solidarity and the capacity of the immigrant community to collect funds quickly.

In contrast, the determination of the MA, Nueva Esperanza, to implement development projects in the sending area and the success of their first initiative seem to have allowed the emergence of the association as a contributing factor to social transformation. At the level of the immigrant community, a strong leader was instrumental in forming the MA and promoting its orientation. The ability with which he led the first initiative, by beginning with a simple, low-risk mobilization project that could be implemented quickly, has dispelled the migrants' reservations and criticisms. Moreover, the will, from the outset, to incorporate the leaders of the different institutions of the sending community in the different steps of the project cycle contributes to legitimize the association within SJT. An official document now recognizes the NE association and its role as an actor in local development. This role is important since the absence of community-based remunerative activities within SJT precludes its independent financing of development projects.

Several meetings were organized in SJT to define the main future axis of collaboration between the diverse local institutions and NE. In order to facilitate this collaboration and to insure a better follow-up to future projects, NE is thinking of creating in SJT an association of ex-migrants which would represent NE in the community. At present, several projects are being studied with the different local actors of the community (e.g. financial help for the kindergarden, the drainage system, the construction of a dam for irrigation, or the creation of a tourist corridor in order to promote local handicraft activities). A tacit deal was struck between NE and the local institutions: the association provides the financial, technical and logistic support, and in return the community provides the labour force and keeps the ventures in good order.

The Programa de Atención a la Comunidad Mexicana en el Extranjero (PACME)

The administration of President Salinas (1988-1994) implemented several programmes geared towards the Mexican immigrant communities under the *Programa de Atención a la Comunidad Mexicana en el Extranjero* (PACME)⁴. Concurrently, the role of the Mexican Consulates in the U.S. was strengthened in order to coordinate PACME implementation. Through PACME, Mexican Consulates have stimulated the formation of migrant associations and have encouraged the latter to invest in their sending communities. Also known as "two for one", the *Solidaridad Internacional* Programme proposes that for each dollar that the migrant association invests in the sending area, the federal and state governments add two additional dollars. The sending communities that have taken best advantage of the programme are from Zacatecas and Jalisco. In both states, the "two for one" allowed the construction of public infrastructure (roads, a rural hospital), the donation of equipment (ambulances, etc.); and the promotion of education (school construction, educational materials).⁵

MA Impacts in the Sending Communities

The migrant associations play an important role, although indirect, for household welfare. They strengthen the migratory networks and foster solidarity and self-help mechanisms among immigrants, and offer a range of social services. In this way, the MAs contribute to reduce the costs and the risks of the migration process, and the likelihood of success in finding and retaining work. Moreover, at a minimum, the MAs, through their capacity to collect and generate funds, play a role of "insurer" in case of local crises and urgent needs of cash in the sending communities.

Furthermore, some migrant associations, such as NE, want to play an expanded economic role, and propose alternative uses of remittances oriented towards local development. Their actions can complement and multiply the effect of individual/household remittances by creating better conditions for local investment. Their projects can stimulate local initiative by fostering in the sending communities a more positive attitude towards change. Nevertheless, the capacities of NE and the community to implement some important projects (such as a dam) are limited without any external support. The success of the association's initiatives, in the long run, will depend on its capacity to generate a more significant participation of its members, to manage well its relation with the sending community, and to win the support of other development actors.

Policy Recommendations

Some recommendations can be derived from our study. The migrant associations' capacity to collect and generate important amounts of money, and their double identity as members of the sending community and potential development actors, give them numerous advantages. However, to realize the full beneficial potential of MAs, they need to strengthen their negotiating capacity for obtaining funding and political influence by scaling up to federation level. Government policies and

programmes that encourage the formation of both migration associations and federations, and the resolution of obstacles to such formation (e.g. training in conflict management, building social bridges/capital, participatory community planning, fund-raising, and others), would likely enhance the already enormous contribution of migration to the economic and social welfare of sending areas, while minimizing some of the costs of migration.

Endnotes

- 1 Prepared by Guillaume Lartey while at SDAR/FAO, with original research carried out in Oaxaca and Los Angeles, CA.
- 2 In the United States, there are more than 300 Mexican migrant associations, of which 170 are located in Los Angeles where we surveyed 16 migrant associations originating in Oaxaca.
- 3 In 1995, following the worsening of a conflict in the community of origin (SPM), a second association of immigrants was created with different membership criteria, linked more to local community politics.
- 4 PACME covers sectors as diverse as health, education and culture, the protection of migrants in the United States and in Mexico, and support for immigrant entrepreneurs.
- 5 It is interesting to note that decentralization has encouraged other states to set up their own support programmes for channelling remittances from migrants and their associations (e.g., the *Mi Comunidad* Programme of the State of Guanajuato).

Annex 10

Livelihood Strategies and Savings and Credit Arrangements in Dodoma, Tanzania

Diverse livelihood strategies have been developed by people as they have learned over generations to cope with resource-poor environments. Crafted and adjusted to meet changing needs, these strategies and related institutions have ensured survival of communities under adverse conditions.

Indigenous forms of savings and credit form part of this complex of livelihood strategies. When agriculture is risky, people save in cattle and other farm animals. When social customs require bride price to be paid at the time of marriage, they save in the form of jewellery and other valued goods. And because savings are mostly embodied in multi-use assets – with relatively small amounts kept in cash – villagers on occasion seek credit in cash from fellow villagers of greater means. These types of “contracts” are informal, without recourse to the law, so village lenders may provide credit only to persons who have a good reputation in the community. Thus, customs, agricultural practices, social networks, and institutional arrangements are all part of a seamless web, and none can be seen in isolation from the others.

Development interventions would need to understand the close inter-relations between peoples’ diverse livelihoods and the institutions, mainly informal, with which they interact, in order to have any deep or lasting impacts. Too often, however, a narrow sectoral approach is taken with attempts to install “best practices” with respect to one or another sector. But transplants can rarely survive unless they function harmoniously with all other organs.

Informal savings and credit institutions or arrangements are largely determined by the range and frequency of consumption and investment needs in a village, and access to such arrangements often depends upon one’s social standing. Thus, savings and credit are woven in with other social and economic arrangements that together form part of complex livelihood strategies in the village. Interventions to replace these indigenous savings arrangements with others that are more “modern” have often failed to account for these interdependencies. A case study on savings and credit in the Dodoma region of Tanzania provides evidence of these linkages, and shows how external agencies that ignore the role of livelihoods and social networks in designing interventions have failed to make any significant impact on villagers’ access to credit and well-being.

Projects (see Table 1, source & pp. citations) that have been introduced to this area for modernizing and enhancing savings and credit have typically failed to take account of the close connections between prevailing livelihood strategies and related institutions and social networks. Savings have been seen in a Western context – in the form of cash-based bank accounts. “In order to obtain credit, a member was obliged to put deposits [in bank accounts]. Loans to individuals could not exceed the value of two times the deposit”. Bahi residents who were able to participate and receive credit did so with little or no commitment to paying back their loans, and hence the default rates were nearly 100 percent. Furthermore, there was limited access to these sources of “cheap money”. Government officials and employees of the project agency had first claim, along with relatively better-off villagers. Thus, “most villagers perceived

Savings and Credit in Dodoma, Tanzania¹

The village of Bahi is located in Dodoma Rural District, which forms part of the semi-arid central region of Tanzania. It has a population of about 6 500 persons, and the dominant ethnic group is the Wagogo tribe. More than 90 percent of the households in this village derive the major part of their incomes from agro-pastoralism, a livelihood strategy that suits the low and highly variable rainfall and frequent droughts. The main staple crops are sorghum, bulrush millet and maize. Though some part of the maize crop is also sold in the market, the major cash crops in this region are groundnuts, sunflower, and especially since the 1970s, semi-irrigated paddy. Due to the high uncertainty of agriculture and the small size of landholdings (less than half a hectare per capita), cattle-rearing animal husbandry forms a very important part of the village economy. Cows, goats and sheep are kept as an insurance against famine and they embody an important part of farmers' accumulated savings. Fishing in nearby rivers and swamps is also practiced for local consumption and for sale to distant markets.

Rather than keeping their savings in the form of cash, people in Bahi prefer to save in the form of commodities that can be readily exchanged for cash whenever the need arises. Banks are located too far away – the nearest bank branch is more than 60 kilometers distant – and cash kept at home tends to be frittered away on non-essentials or it is borrowed and not returned by friends and relatives.

Paddy and cattle constitute the two most important forms of local savings. People keep a store of rice paddy in bags and baskets inside their homes, which can be turned readily into cash at the local market as needed. Sickness and harvest failure are frequent occurrences, and paddy stocks serve as a store of value for use at these times. There is a cost to this form of savings, however; significant amounts of grain are lost to insects and rats and value is lost some times on account of fluctuations in prices.

Cattle serve not only as a store of value but also as a medium of exchange and traditions of cattle rearing represent an embodiment of cultural norms. Bride wealth is traditionally paid in the form of cattle, and cattle can also be exchanged for grain whenever food supplies run short. For these reasons, and because of the long tradition of saving in cattle in this region, people here consider it "unthinkable" to use cattle for draught power, or for meat – not even during famines.

Credit in the Dodoma region is rarely obtained from banks and other formal institutions. Cash is mainly needed in small amounts for expenditures associated with emergencies (death, illness) and festive occasions. There is also borrowing for land preparation, and quite often for purchasing food, especially at times of famine, which is a frequent visitor to this region.

Most borrowing and lending in Bahi takes place among fellow villagers. Borrowers first approach their friends, relatives and neighbors, with whom they have frequent transactions. Villagers prefer to borrow at times of need rather than liquidating their own stocks of paddy, and lenders in the village find it hard to refuse the requests of needy people. People here look down upon those who would not help a fellow villager in need, and these social norms and cultural practices drive saving and lending behavior in the village. Quite often in these situations, amounts continue to be advanced even though previous loans have not been repaid, for it would be an exceptionally harsh man who turns away a neighbour in dire need for cash or food.

More formally, loans are also taken from shopkeepers and other village lenders. There are ten such professional lenders in this village. In a practice traditionally known as *Songolela*, loans are made in the form of grain or money and repayment is made after the harvest. Rates of interest on these loans vary depending upon the reputations of borrower and lender, though it is usual to find borrowers repaying a loan of three bags of maize with an equal quantity of paddy after the harvest, despite the fact that paddy obtains more than twice the price of maize.

Material collateral is not easy to provide by borrowers and it is not usually required by lenders. Since these are essentially social transactions, lenders look mainly to "social collateral" while negotiating loans. One's social networks and reputation matter for the amount one can borrow and also one's economic situation, which is assessed in terms of cattle stock, farm size, and average productivity.

Screening of borrowers is also linked to knowledge of the seasonal credit needs of different villagers: "workers on the plots of others earn money during the rainy season and borrow mostly during the dry season while, on the other hand, people relying on their own paddy harvest borrow mostly during the rainy cultivation season and are 'rich' after harvesting." (p. 23) Repayment to shopkeepers is usually on time. However, the pressure is great to continue to lend or provide store credit even when it proves to be unprofitable because shopkeepers fear that "village gossip" might result in the ruin of their business. They try to lend only to people whom they can trust, but they are often compelled on account of social pressure to extend credit and loans to other needy villagers.

Significant group activity takes place among residents of Bahi. Cropping operations are carried out by work parties, in particular when these tasks are highly labour intensive, such as weeding and manuring. Cattle are kept in large communal herds. Women cooperate closely with one another for making and selling traditional maize beer. Fishermen work in groups of five or six with the same net.

Although group savings and credit are less common than individual borrowing and lending, people will group together around common economic or social needs and form various types of ROSCAs. Borrowing and lending occur usually among people who are members of the same social network, and considerable lending activity occurs within cattle-herding and beer-brewing groups.

Table 1: Savings and Credit Projects²

Intervention	Agency	Objectives	Members	Results
<i>(A) Groups including both men and women</i>				
Savings and Credit Cooperatives (SACCOs)	Gov. of Tanzania and IFAD (started 1992)	Setting up two cooperative societies in the village	79 persons	Members of SACCOs were mostly influential villagers and government employees. Other villagers "perceived SACCOs as groups of officials and their friends, not something they could be part of" (Pp. 26)
Water Users Associations (WUAs)	IFAD (started 1993)	Managing water for paddy cultivation; channelling credit provided by IFAD	347 persons (incl. 114 women)	The groups largely failed because nobody repaid any of the credit "nor were they likely to do so in the future...the farmers were too poor and ignorant...and farmers did not see the point in repaying" - they felt these amounts would surely be written off, as it had happened before (Pp. 27).
Special Programme for Food Production (SPFP)	FAO (Started 1995)	To demonstrate new agricultural techniques and provide grants and loans in support	Four groups of 20 farmers each	The project has failed in terms of its objectives. "Members have forgotten the group of which they were part... SPFP is likely to pass away as an insignificant event in village life" (Pp. 28).
<i>(B) Only women's groups</i>				
"Unity of Tanzanian Women" (UWT)	Formed by the ruling socialist party CCM (Started 1997)	"Women were promised credit if a CCM candidate was elected" (Pp. 28)	25 women	Members joined with the cynical purpose of gaining access to the promised credit, and they left shortly after this purpose was fulfilled.
Wanawake Watanzia Wawata (WWT)	Roman Catholic Church (Started 1982)	To encourage savings among women, and to use these amounts for enhancing household incomes	31 women	Alone among all externally sponsored groups, WWT has a sustained presence and abiding member loyalty. The group has been built upon pre-existing social bonds, and such "group membership created a socially accepted way of earning more income for women" and their families (Pp.29).

these [formal schemes] as not for ordinary farmers". Consequently, the new savings and credit arrangements failed to take root.

A better recognition of the role that savings and credit play within the livelihood strategies of Bahi villagers might have helped to fashion more useful and sustainable innovations. For instance, a useful project intervention could have been improvement

of storage facilities for paddy or veterinary services for cattle – and the economic and social value of total savings would have been enhanced as a result.

Group-based lending might have relied upon pre-existing social networks, but new credit groups were formed on the advice of “credit specialists” brought in from outside. Reputation-based lending could also have been adopted, as it has been, reportedly with great success, in Bangladesh’s Grameen Bank, but cash collateral was insisted upon instead. Thus, poorer members of the community were limited in their ability to participate – even if they had the most need and the cleanest reputations – while richer members made off with large amounts that they never intended to repay.

New institutional arrangements were introduced through these projects to improve rural finance options in the region. However, in divorcing savings and credit from villagers’ livelihood strategies and social networks, the interventions failed to have positive impact, and people have continued to rely upon what they have always found valuable.

Endnotes

- 1 This section has been adapted from Jochem Zoetelief, “Finance From Below: Savings Arrangements and Credit Mechanisms in Dodoma Rural District, Tanzania,” M.Sc. thesis, Department of Social Science, Wageningen Agricultural University, 1999. We are grateful to the author for permission to use this information for the present publication.
- 2 *ibid*.

Annex 11

Participatory Watershed Development in Rajasthan, India

Dealing with Drought in a Semi-Arid Region

Residents of Chitakhara village in Ajmer district of Rajasthan state are no longer fearful that the rains might fail. The pattern of rainfall has not changed in this semi-arid region – and rains continue to fail every two years out of five – but grain bins in villagers' houses are full of supplies that can last two years and more, lofts are overflowing with stored fodder, and water level in wells has risen by forty feet on average since soil and moisture treatments were commenced eight years ago.

Fodder is grown on plots of common land and harvested annually by villagers who have to pay their User Committee a small fee for every bundle of grass and shrubs that they collect. These fees are utilized to pay for the salaries of village watchmen, who guard the pastures against invasions by stray cattle. Plentiful water is available for cattle and sheep, and the village committee charges a nominal fee for every animal that drinks at the communal trough. These fees are used, once again, for the purposes of maintenance and upkeep.

Chitakhara is hardly alone in this respect. More than eight hundred villages in Rajasthan have formed similar User Committees and they have joined hands with a government department to implement a statewide programme of integrated watershed development. Several among these villages have achieved self-sufficiency insofar as food, fodder and fuelwood supplies are concerned, and many have surplus stocks that they provide to other villages in their vicinity, especially when the rains fail.

Each of these villages is provided with financial and technical support by the state governments' Department of Watershed Development. Villagers must manage the programme for the most part through the User Committees they elect, and they also contribute labour and local raw materials amounting to about twenty percent of the total cost of the programme.

Developing a Programme

Though it was a fairly new programme when it was launched in 1990, watershed development responded to some principal concerns that are widely shared among the 35 million persons who live in villages in Rajasthan. Agriculture is the major occupation of 94 percent of village dwellers, but agriculture is characterized in this state by low yields and frequent crop failure. Cattle, sheep and goats are kept in large numbers by farmers to insure against the uncertainties that surround crop production in this drought-prone region. These animals are mostly range-fed, foraging on grasses and shrubs that grow on village common lands. The production of fodder on these common lands is thus of critical importance.

As human population has increased by more than two percent a year, and cattle population, already three times the population of humans, has grown even faster, village common lands have come under intense pressure. Area in common pastures has fallen as more land was given over to crop production, and fertility has dropped on account of overuse. Reduced area and diminished fertility on common lands have

combined to create a situation where fodder and fuelwood are in permanent short supply. Drought only aggravates the situation further. Fodder supplies fall nearly to zero, water is scarce, and people are forced to leave the village along with their herds.

It was with the intention of dealing with this situation and developing means to cope with it on a sustainable basis that a programme of integrated watershed development was launched by the government of Rajasthan state, supported financially by the World Bank and the Indian Ministry of Agriculture. A specialized Department of Watershed Development (DWD) was created by the state government, which drew its staff from multiple disciplines, including agronomy and crop science, soil and water conservation, forestry, and animal husbandry.

An integrated menu of technology options was developed by these staff that would enable productivity increases to be achieved over a wide front and in a manner that could be sustained by villagers acting on their own behalf. New crops and improved agronomic methods were introduced along with low-cost soil and water conservation techniques and forestry and pasture management practices. Villagers have co-managed all of these activities right from the start, acquiring expertise and confidence and developing an organizational basis for dealing as well with other development tasks.

Organization Building and Appropriate Technology

User Committees (UCs) have been elected by villagers, consisting of between four and seven persons in each village, who are responsible for managing programme activities on behalf of the village community. Election to UCs has been mostly by consensus and nearly all villagers, especially those who are more in need of fodder and fuelwood, which includes most poorer villagers, have participated in these elections. Fresh elections to the UC are held every year, and all accounts have to be presented openly in monthly village meetings.

UCs provide villagers with a forum for discussing problems related to watershed development and they serve also as a management committee for resolving these problems. These committees are principally responsible for planning and managing activities on village common lands that constitute between a half to two-thirds of all village lands and which serve as the source of most of the fodder and nearly all of the fuelwood required in the village. Some better-trained UCs took on additional tasks, including constructing small dams and anicuts, and undertaking soil and moisture conservation treatments on privately owned lands. They are assisted in these tasks by local paraprofessionals, village residents who were selected by UCs and provided with technical training by DWD staff.

Collectively and individually, villagers are also responsible for providing a share of programme funds. The local share was ten percent when watershed development was first taken up at the start and it is twenty percent among villages that have joined the programme later. Villagers pay their shares not in cash but mostly by providing labour, so poorer villagers can and have participated equally.

These organizational innovations have been accompanied by some fairly significant technical innovations. DWD staff working in cooperation with paraprofessionals and other villagers have developed low-cost techniques that are simple to learn and which rely mostly on materials that are easily and cheaply

available to villagers. Vegetative materials are preferred for soil and moisture conservation structures, for instance, and these are available abundantly in the wild or they are raised in village nurseries. Since the required materials are available locally, and since villagers have learned to work with these materials, maintaining and extending these structures do not pose any large problem for them.

Training has formed a large part of the programme. Members of UCs, paraprofessionals and nursery raisers were trained in technical aspects by DWD staff and also by specialized trainers from universities and NGOs. Other villagers were trained as primary health care providers for treating cattle and other farm animals.

Sustaining and Extending Programme Activities

Activities commenced by the programme have been mostly well maintained by the villagers. Three-year survival rates of trees in a sample of 17 village common lands ranged from a high of 89 percent to a low of 56 percent. Fodder yields in the same villages remain between three and ten times higher than what they were before programme implementation began, which is a commendable performance, especially for these high moisture-stress conditions (CTAE 1999). Many nursery raisers and most animal health care providers are continuing to provide their services for a fee to other villagers five years after programme support has been withdrawn from these villages.

User Committees continue to function in many programme villages, maintaining the activities that were taken up earlier and also helping their fellow villagers for taking up new collective endeavors. In Nauwa village of Udaipur district, for example, universal female literacy is a new goal that villagers have set themselves and which they are implementing with the help of their UC. The Committee in Sangawas village of Rajsamand district has organized a savings group in which many villagers have become members. In Andheri Deori, in Ajmer district, poultry and rabbit rearing activities have been organized among villagers by their UC. Local organizations built up in the course of programme implementation are proving useful to villagers for taking up other development activities.

Staff Motivation, Social Capital, and Programme Performance

Not all villages participating in the watershed development programme have been equally successful. In spite of having the same policy environment, a virtually equal level of programme funding, and similar agro-ecological conditions, some villages have performed quite poorly in the programme whereas others, such as Chitakhara, Sangawas, Nauwa and Andheri Deori, have performed much better. Apart from the attitudes and behaviors of DWD staff, features of village-level social organization have also been found to account for these differences.

DWD staff behaviours account for some part of the observed differences among participating villages. Forming effective User Committees and forging effective partnerships between these Committees and DWD staff was necessarily a step-by-step process. Villagers needed to first come together to discuss the situation and arrive at a common definition of the problem. They would then elect a UC and agree on a plan of action, after which implementation would begin. It was important that villagers

had the time to develop clear understandings and form binding agreements with the consent of all. Such things cannot be rushed along; they can only evolve relatively slowly, when all have had a chance to participate and have their say. Some department staffs were impatient with what to them seemed like interminable rounds of fruitless discussions. Artificially speeding up the pace of implementation came at a great cost, however, resulting in weak village committees that later proved incapable of gaining the commitments required for sustaining programme benefits.

Aspects related to social organization in the village also help explain differences among villages in programme performance, that is, in fodder, fuel and grain production and adoption of soil and water conservation techniques. Differences in programme performance for a sample of 64 participating villages are found to be significantly related to differences in villages' stocks of social capital (Krishna and Uphoff 1999). High-performing villages are the ones that have higher stocks of social capital, while low-performing villages have comparatively lower stocks.

The stock of social capital has two components according to this analysis: its structural component derives from the strength of informal social networks in these villages, and its cognitive component consists of attitudes, values and beliefs that affect trust, reciprocity and solidarity among villagers. The level of social capital in any village is related also to the number of information sources that villagers consult, to the availability of mechanisms for resolving conflicts locally, and to villagers' prior experience of collective action. Social capital is found in this analysis to be not significantly related to heterogeneity and social stratification in the village. Modernization, measured in terms of mechanization, commercialization and infrastructure development, also has no bearing on the stock of social capital available with any village.

Levels of social capital can be enhanced, this analysis shows, through programmes that promote information-sharing among villagers, for instance by educating them about citizens' rights and programme opportunities, and also by those which assist villagers to develop a collective response. Programmes such as watershed development, which assist villagers to act collectively through the medium of locally elected User Committees, can help enhance villagers' stocks of social capital.

Policy Environment

Policy environment in the Rajasthan case was generally supportive of villagers' efforts. Policy makers were mostly convinced that a programme such as this was long overdue and that it would help resolve some of the most important problems that had been faced by villagers for generations. A State-level Coordination Committee was set up to provide apex-level policy support to the Department of Watershed Development. This Coordination Committee, composed of senior officials from all concerned government departments and also experienced NGO persons, proved very useful, especially in the initial stages of programme implementation.

Since the programme was implemented by multi-disciplinary staff drawn from many different government departments it was important to have such inter-departmental agreements at the start. Departmental rivalries could easily have developed in the absence of such agreements, compromising the integrated nature of work in the field. It was equally important to gain policy support for the innovations

that were introduced in terms of implementation methods. Working alongside User Committees and passing large amounts of public funds over to these non-statutory bodies was a considerable departure from past practice. New financial rules had to be drafted and new accounting procedures approved. These and other innovations in methods and practices were approved relatively quickly because discussion among senior policy-makers was facilitated by the State-level Coordination Committee.

Three sets of agencies were involved in operating the Rajasthan Watershed Development Programme. Policy-level support laid the groundwork for success, but field staff were needed to carry the message. Programme success depended additionally on organizational efforts by participating villagers. Any weak link in this chain could have the effect of jeopardizing programme results. In addition to having policy support, thus, it was necessary to motivate field staff and to help villagers build local organizations that can assist with implementation and that can sustain these efforts even after programme funding has ended.

Motivating field staff is not automatic or easy, especially in a government agency where promotions and other marks of recognition are regulated by fairly rigid civil service rules. Innovative methods were developed in the Rajasthan case that helped to keep department staff highly motivated and committed to developing effective solutions for the problems they encountered in the field. Considerable authority was delegated to field-level personnel. They were encouraged to be innovative and experimental. No penalties were imposed for experiments that failed despite good intentions and sufficient care; successful innovations were published in a monthly newsletter; and a system of departmental awards was instituted to reward innovators. Teamwork was encouraged and staff were deployed in multi-disciplinary teams that were jointly responsible for a group of adjoining watershed locations. Narrow disciplinary barriers were breached in this way, and team members developed a sense of ownership for the watersheds in their jurisdiction.

Helping villagers to build an appropriate local organization proved to be another crucial task of watershed development. As the analysis by Krishna and Uphoff (1999) indicates, villages that achieved significant improvements in fodder, fuel and grain production were usually also the ones that had higher levels of social capital. High social capital villages were able to form effective User Committees with relative ease. Other villages that started with lower levels of social capital were given additional support by DWD staff. Learning visits were organized so they could interact with other villagers where more effective UCs had begun to show visible results. Village meetings were called regularly where DWD staff facilitated discussions of the costs and benefits that could be expected from participating in programme activities. In these and in other ways it was demonstrated to villagers that they could achieve considerable benefits if they organized themselves effectively. Social capital has been built up in the process as residents of these villages have started to work collaboratively among themselves. Residents in many programme villages have taken up other collaborative ventures on their own initiative.

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Annex 12

Revitalizing Traditional Institutions for Peace and Natural Resource Management in the Cordillera, Philippines¹

Historical Background

The Cordillera Administrative Region, located in the highlands of Luzon in the northern part of the Philippines, has rich forests and plentiful mineral resources, but the inhabitants of this region are among the poorest people of the world. Over 1.25 million people live in this region, more than ninety percent of whom are of indigenous origin, belonging to seven major ethnolinguistic groups. For generations these people have been deprived by outsiders of claims to their area's resources. First the Spaniards and then the Americans exploited mining claims and logging concessions in this region, and few benefits accrued to the original inhabitants.

Even after the Philippines gained its independence from colonial rule and a national government was installed in the capital, logging and mining continued unabated in the Cordillera region. In the 1970s, close to 200 000 hectares of prime forestlands were granted for logging and pulping operations to a private corporation. This was the largest logging operation in the country, and it was owned and operated by persons from outside the region. Some of the world's biggest producers of gold, silver and copper at that time were located in the Cordillera, but the people of this region had nothing to show for the great wealth that was extracted from their lands.

As the realization gained ground that they were being treated as no more than squatters on their own land, residents of the Cordillera region organized in protest against the government. As protest mounted, the military was brought in to subdue the region. Local peoples' opposition movements that started in 1974 became widespread after the death of a local chieftain at the hands of pro-government forces. This event intensified people's resolve to fight against all forms of development aggression. Many young Cordillerans joined hands with the militant wing of a growing Communist Party of the Philippines, and civil warfare became rife in the region.

Legislative Support for Local Authority

Simultaneously, students and professionals led a campaign that was aimed at obtaining formal legal recognition for the Cordillerans' ancestral domain claims. These campaigns gained ground rapidly after a popular revolution toppled the Marcos government in 1986. They represented their case before the new Constitutional Commission and won many important legal victories.

The rights of indigenous peoples to their ancestral lands and natural resources were upheld by the Constitutional Commission and the Department of Environment and Natural Resources issued an administrative order in 1993 that was intended to identify, delineate and protect areas occupied by indigenous peoples. The order provides for the issuance of a Certificate of Ancestral Domain Claims to eligible groups. Obtaining such a certificate confers upon indigenous peoples the right to participate in all decisions that affect land and natural resources within their ancestral domain. No development project and no commercial venture of any kind can be introduced within an area that has been certified as ancestral domain without the prior approval of local residents.

Before the constitutional rights to ancestral domains are assigned to any local community, however, peace pacts must be signed with neighboring communities and resource management plans must be drawn up to the satisfaction of government staff. To gain a certificate of ancestral domain, area residents have to clearly demarcate the boundaries of their ancestral domain – after settling claims among themselves and also with their neighbours. Institutions with the legitimacy and the capacity to perform these functions are critical for undertaking these tasks effectively. Traditional institutions, such as the *otor*, *dap-oy*, and *ob-bfo* (indigenous cooperative groups), the councils of elders, and the *bodong* (peace pact systems between adjacent communities), were to provide such a base in the Cordillera but not without a great deal of adaptation and capacity building in area planning and resource management.

Implementing Local Solutions

Some small-scale initiatives had already been started even before the new laws came into operation. Indigenous people's organizations and local leaders had taken it upon themselves to become intermediaries in peace negotiations among government troops and local militants. Women had played key roles in this process.

The Pan-Cordillera Women's Network for Peace and Development, or PANCORDI, was formed in 1995 as a coalition of women's groups of the Cordillera region. PANCORDI started working in five pilot areas with the objective of reviving traditional local institutions for the purpose of delineating ancestral domains. Women volunteers served as key catalysts in this process.

A three-phase programme was taken up by PANCORDI, which was supported by UNDP and other donor agencies. The first phase began in July 1995 with the preparation of a sourcebook on ancestral domain laws. Working closely with local communities, PANCORDI's women activists became aware that while some national laws upheld and promoted customary understandings, others directly contradicted local conceptions of right and wrong. Laws that were considered oppressive and contrary to customary laws were distinguished in the sourcebook from others that would promote a constructive blend of tradition and modernity.

The second phase of the programme consisted of an initiative to assist with the delineation of all ancestral domain areas, followed by a third phase in which Ancestral Domain Resource Management Plans (ADRMPS) were drawn up for these areas. One project site was chosen in each province, and women organizers were deployed in each area. They began work by strengthening the Village Women's Consultative Councils that had been created previously during PANCORDI's peace initiative. It was necessary to gain the cooperation of traditional village councils and their leaders, and women volunteers helped to build the bridges that were necessary to link local institutions with government agencies. It was not easy for women volunteers to penetrate the all-male domains of the *ator* and *day-ap*. It helped that these women had played critical roles earlier by serving as intermediaries between villagers and militants, and these efforts had been admired, if only grudgingly, by all villagers.

Working with traditional institutions, each community team gathered documentary proof on land ownership. Genealogies were prepared for each of the major clans to document the passage of traditional rights across generations. Changes in traditional boundaries were documented. Initiatives were then taken to address boundary disputes. Often this required inter-group meetings to recall historic agreements among ancestors so as to resolve disputes locally.

In areas where land disputes were satisfactorily resolved and boundaries demarcated, project staff began to organize communities for the task of preparing Ancestral Domain Resource Management Plans. Preparing the ADRMP required an analysis of current and past land use, and drew upon baseline data compiled by the women organizers on environmental, socio-cultural and economic conditions. Women organizers worked alongside traditional village leaders to organize these efforts. Several workshops, training sessions, resource mapping exercises, and other activities were arranged in each pilot area to assist with the tasks of community involvement and plan preparation.

Some Early Results

While results differ from place to place, on the whole, these initiatives have worked everywhere to improve the functional interplay between national law and local custom. Considerable gains have been reported from various project locations. Communities within the municipalities of Luba, Sadanga, and Balabalan have started implementing their resource management plans and they are mobilizing external support for undertaking projects which have been identified. Alternative models of development have emerged as people of different origins have asserted their separate visions for the future. Several communities have influenced the government to grant permits for micro-scale instead of large-scale mining, and for micro-hydroelectric and irrigation projects within their ancestral domain area. They have also proposed tramlines for transportation in place of road construction through fragile forests. They are planning to institute a programme of education and training that allows such concerns to be addressed among themselves and with a larger group of area residents.

Peace and better governance have also followed from the same process. Newly empowered villagers have initiated dialogue with the military and with rebel groups. Revitalized local institutions have asserted the supremacy of civilian authority and militias and armed groups have retreated from these areas. The process has reinforced the recognition of the traditional peace pact system as a means of maintaining peace.

Drawing up and implementing the ADRMPs have provided people in this region with an ongoing opportunity for action and interaction. People of this region come together to discuss diverse local problems within the forums that have drawn upon and strengthened their local institutions. Local government units are working in partnership with these traditional structures to support the development aspirations articulated by area residents. A federated regional body is planned to be set up next. Representatives from village and municipality councils will come together to constitute the regional body, and it will function as the apex traditional institution of the Cordillera. This regional body is expected to forge closer linkages between customary laws and practices, on the one hand, and formal government systems, on the other, both of which provide necessary institutional supports for sustainable development of the region.

Policy Environment

Traditional institutions are important to people in many parts of the developing world and especially though not exclusively among indigenous peoples. Traditional institutions such as indigenous cooperation groups, councils of elders, and customary laws and mediators are important for resolving disputes, enforcing widely agreed standards of behaviour, and uniting people within bonds of community solidarity and mutual assistance. As such, they embody important forms of social capital, representing forums wherein local communities can unite together and act collectively.

However, traditional institutions are rarely included within plans of development that are formulated for the most part in national capitals. Planners have mostly disregarded the potential for collective action that inheres within these institutions, partly because of ignorance and partly also because development, which is seen as "modernization," is often regarded as antithetical to tradition in any form. On their own part, too, leaders of traditional institutions have been reluctant to adapt to new concerns. The incursion of modern activities and forms of governance is often seen as challenging the prerogatives of these institutions. It is exceptional, thus, to find traditional institutions taking an active role in regional development activities. It is even more unusual to see such institutions working closely in cooperation with technical personnel of government agencies.

An effective meld between traditional institutions and technical agencies of the government was achieved in the project implemented in the Cordillera Administrative Region of the Philippines that had ancestral land demarcation and regional development as its objectives. Traditional institutions had remained alive in this region, enabling people to cope with centuries of exploitation at the hands of a distant and unsympathetic state. After the laws of the country were amended and indigenous people were given rights of self-determination over all natural resources within their ancestral domains, the same traditional institutions were called upon to enforce these rights.

It is not easy to forge such understandings and working arrangements between traditional institutions and government agencies. NGOs played a critical role in developing these linkages in the Cordillera. Women volunteers trained by PANCORDI worked with the traditional leaders and also with staff of government agencies and they helped develop mutual understanding among the members of these two sets of institutions. A changed legal environment paved the way for these changes, but it was action at the grassroots which converted a hope into a reality. Peace was facilitated by this process and also sustainable regional development.

Working within their traditional norms and institutions enables people to understand and come to terms readily with change. Having the support of technically qualified personnel facilitates capacity- and knowledge-building required for dealing competently with the new tasks of modernization and development. The resulting blend of capacity and legitimacy enables people to participate fully in development enterprises, deriving the best possible results in the process. The example of the Cordillera project illustrates how traditional institutions can be strengthened and redirected toward activities concerned with autonomous self-development and how such constructive engagements can be promoted by governments and by non-governmental organizations.

Endnote

- 1 Materials used here have been adapted from "Women as Catalysts for Change: Revitalizing Traditional Institutions in the Cordillera, Philippines," one of nine instructive case studies included within an upcoming UNDP publication. We gratefully acknowledge UNDP's permission for our use of these materials.

This paper summarizes the research findings and policy implications of a research project undertaken by the Rural Institutions and Participation Service (SDAR) of FAO entitled "Rural Household Income Strategies for Poverty Alleviation and Interactions with the Local Institutional Environment". The research was undertaken to gain a greater understanding of the linkages between household livelihood strategies, incomes and the local institutional environment, and how these linkages may change over time. Building on three country studies in India, Mozambique and Mexico, the research focused on informal economic institutions associated with household access to land, labour, markets and capital, as well as those providing a social safety net.

The paper argues that local institutions, however "imperfect", are providing essential goods and services to the rural poor and vulnerable groups, particularly in the absence of well-functioning markets, local governments and safety nets. Therefore, great caution should be taken not to destroy these institutions and networks in the name of "development". It also argues that homogeneous and heterogeneous local institutions play different but complementary roles in rural societies. While the former are more inclusive, the latter may be more effective at moving the poor upward and potentially out of poverty. In conclusion, the paper calls for policy-makers and practitioners concerned with rural poverty to: 1) allocate additional resources and time to understanding, strengthening, capacity building and partnering with local institutions, and 2) provide a supportive legislative and regulatory framework in which local institutions can thrive and assume greater responsibilities.

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